



# Monthly Performance Report

Green Café  
Nov 2021

# Executive Summary

---

Overall, results for this month are positive. Revenue is \$174,182, and this has been increasing consecutively. The primary drivers of this increase have been takeaway lunch meals and beverage sales. We assume beverage sales are up due to the warm weather we've been seeing this summer.

Customer satisfaction (97% this month) is also positive, which is of vital importance for driving repeat customer business. 25% of our sales this month were by repeat customers, nearing our customer loyalty target of 33%.

Some major expense categories are trending upwards, which require monitoring. To improve expense management we are considering undertaking a cost audit soon. Specifically a review of the following operating costs: Marketing (\$22,308 this month), Labor (33% of Sales this month) and Food costs (7% of sales this month).

Limited floor space at our current venue will restrict bookings during weekends and other busy periods. As the business is committed to its current lease, expanding into larger premises is not currently an option. Our challenge is to improve margins and increase sales through greater restaurant patronage during off-peak times. However, currently our Rent sits at just 5% of Sales, which is quite impressive, and speaks to the affordability of our current space.

This month welcomes the commencement of bike services to deliver coffee to doorsteps across three Seattle suburbs. New sales training initiatives are planned for next month, to promote these new services.

## Agenda Items

- Review Q3 Hiring Plans
- Update Shareholders agreements
- Review supplier price & quality
- Evaluate viability of take away service

### ✓ PROFITABILITY

**Gross Profit Margin 58.11%** (Last month 53.77%)

Positive trend upwards. Strategies to improve profitability include: increasing price, increasing sales volume, reducing cost of sales and reducing operating expenses.

### ✗ CUSTOMER

**Customer Loyalty 25%** (This month target 33%)

Negative trend downwards. Strategies to improve our Customer Loyalty Ratio include seeking ways to reengage our existing clients, by improving their experience, speed of service, and implementing a loyalty rewards program.

### ✗ EFFICIENCY

**Return on Capital Employed 15.16%** (Last month 20.15%)

Negative trend downwards. A lower ROCE% may indicate a less efficient use of capital employed.

### ✓ WORKING CAPITAL

**Cash Conversion Cycle 14 days** (Last month 46 days)

Positive trend downwards. Strategies to improve cash conversion include: collecting debt faster, reducing inventory levels, billing work in progress faster and paying creditors slower

### ✓ CASH FLOW

**Free Cash Flow \$236,078**

Free Cash Flow is positive. After paying its operating expenses and investing for future growth (capital expenditures) the business has generated cash. This cash is available to be paid back to the suppliers of capital.

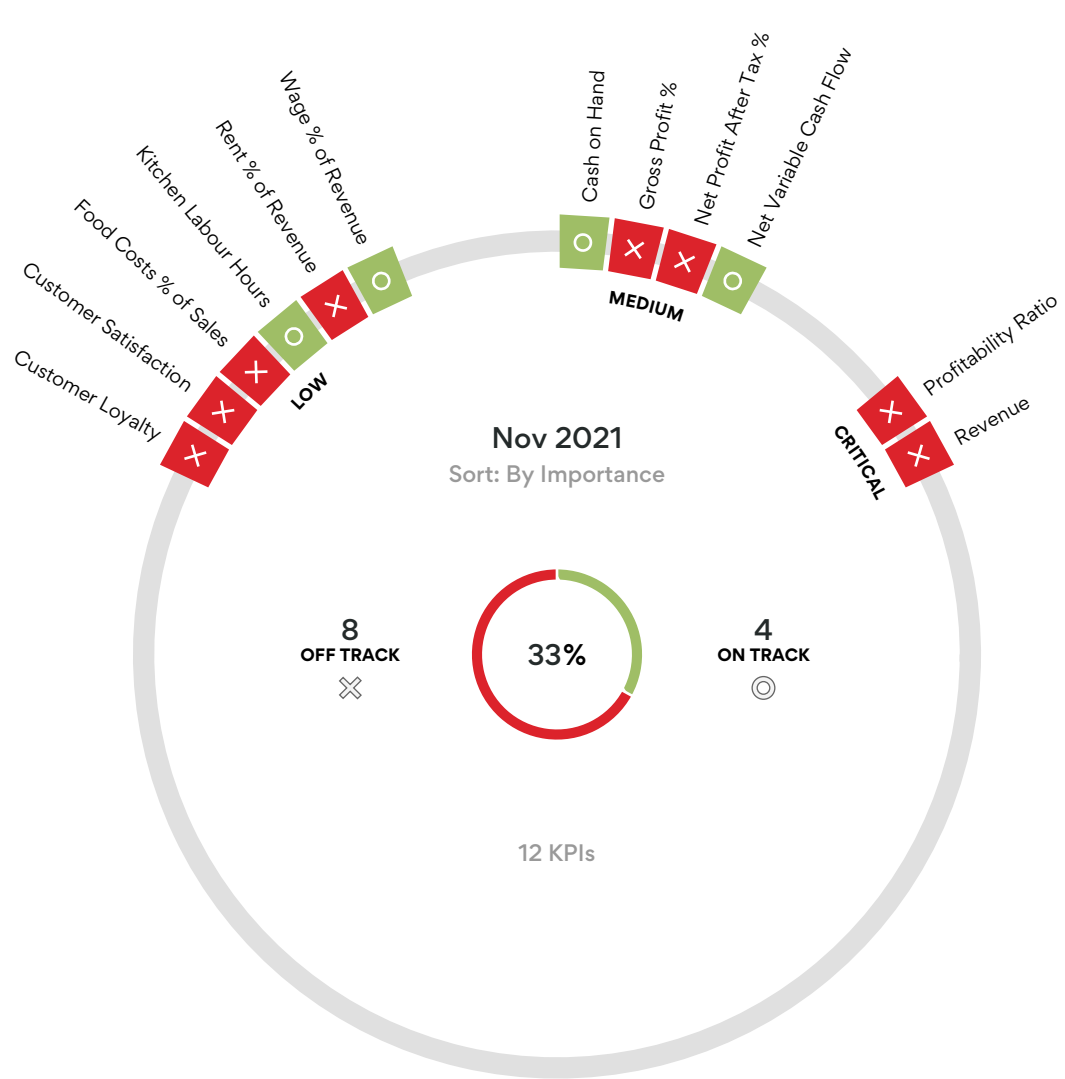
# KPI Results

	RESULT	TARGET		TREND	IMPORTANCE
<b>A PROFITABILITY</b>	NOV 2021			vs OCT 2021	
Total Revenue	\$174,182	\$241,224	✗	▼ -4%	Critical
Gross Profit Margin	58.11%	87.72%	✗	▲ 4.34%	Medium
Profitability Ratio	17.65%	29.4%	✗	▼ -3.82%	Critical
Net Profit After Tax Margin	13.11%	15.48%	✗	▼ -3.85%	Medium
<b>B NON-FINANCIALS</b>					
Customer Satisfaction	97%	98%	✗	▲ 4%	Low
Customer Loyalty	25%	33%	✗	0%	Low
Kitchen Labour Hours	222	100	✓	▲ 8	Low
<b>C EXPENSE RATIOS</b>					
Food Costs % of Sales *	11%	5%	✗	▲ 1%	Low
Rent % of Revenue *	5%	5%	✗	▲ 3%	Low
Wage % of Revenue *	33%	56%	✓	▲ 8%	Low
<b>D CASH FLOW</b>					
Cash on Hand	\$1,599,532	\$950,000	✓	▲ 33.7%	Medium
Net Variable Cash Flow	78.17%	20%	✓	▲ 10.44%	Medium

\* For this metric, a result below target is favourable

# KPI Summary

This chart shows KPIs grouped into performance perspectives.



# Revenue Analysis

## TOTAL REVENUE

**\$174,182**

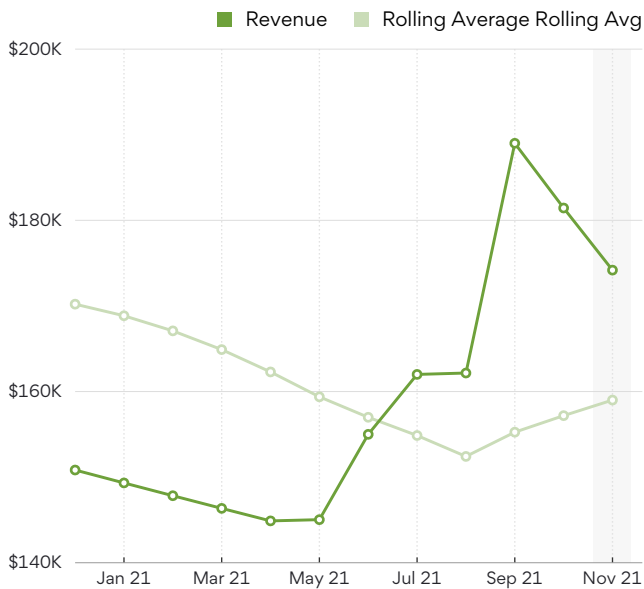
## REVENUE (Nov 20)

**\$152,355**

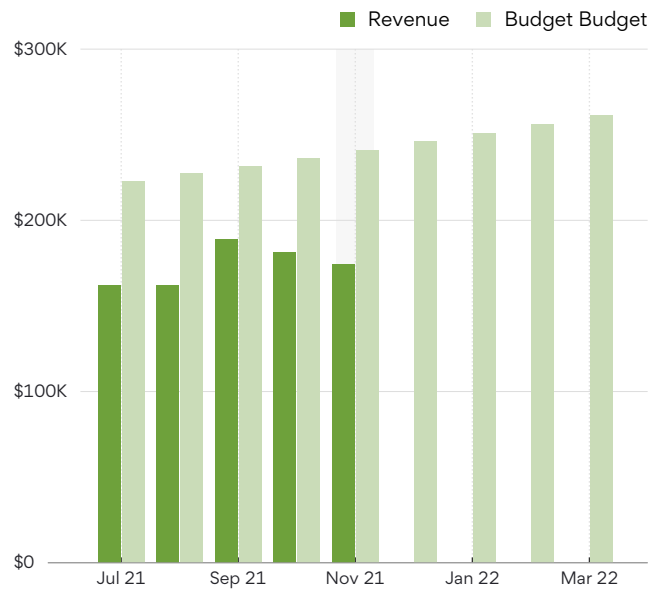
## REVENUE

**\$241,224** Target

### Revenue - Rolling 12 months



### Revenue vs Budget



## REVENUE (2021/2022 YTD)

**\$868,784**

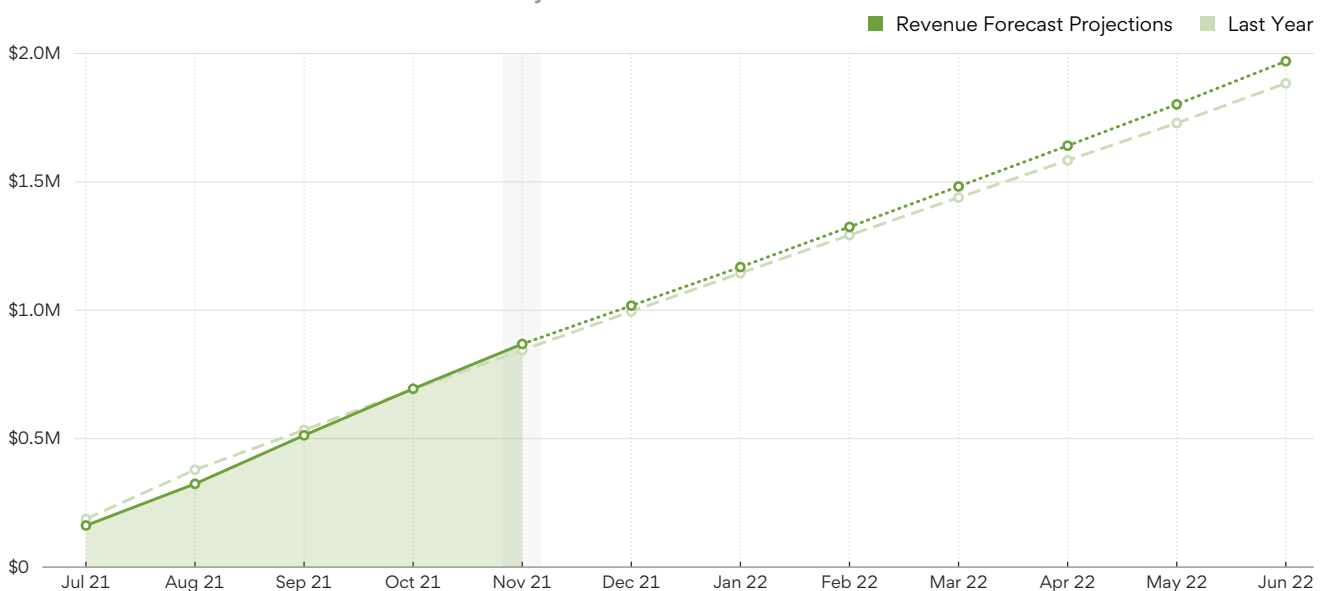
## REVENUE (2021/2022 YTD)

**\$1,159,740** Target

## REVENUE (2020/2021 YTD)

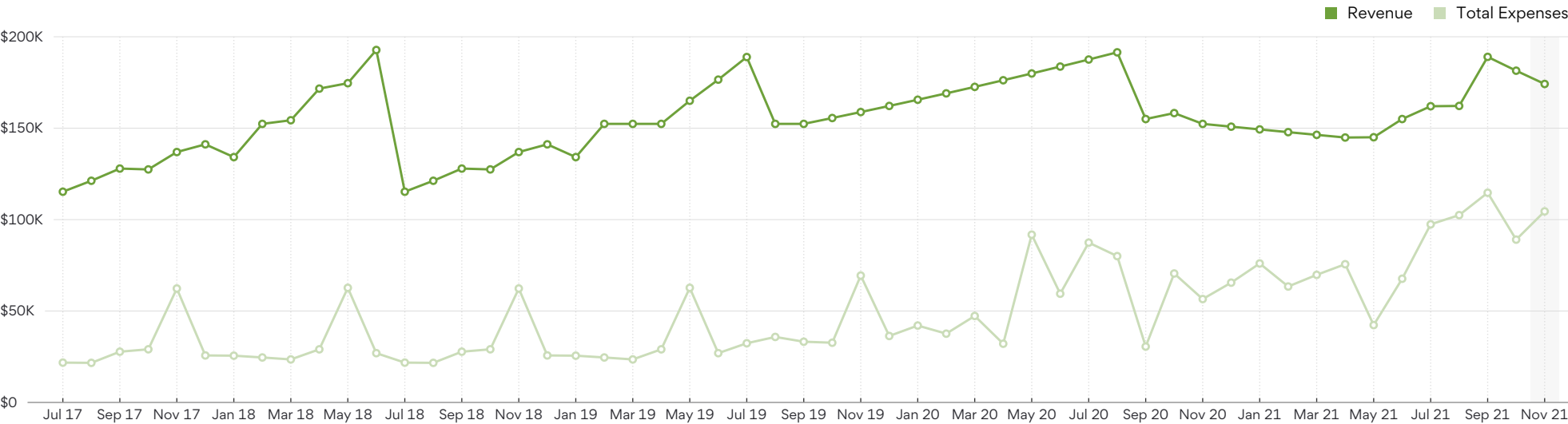
**\$844,645**

### Total Revenue YTD + Revenue Forecast Projection



# Revenue & Expenses

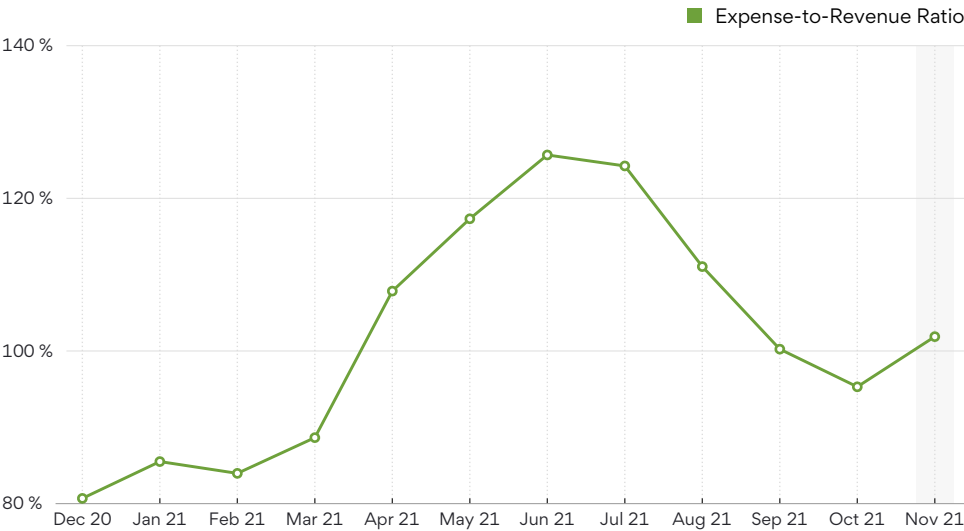
Revenue vs Expenses



Top 10 Expenses

Entertainment	\$13,458
Advertising & Promotions	\$13,296
Contractors	\$13,263
Rent	\$9,281
Telephone & Internet	\$9,255
Consulting Fees	\$9,047
Travel & Accommodation	\$8,660
Training & Education	\$6,735
Marketing	\$6,195
Insurance	\$5,795

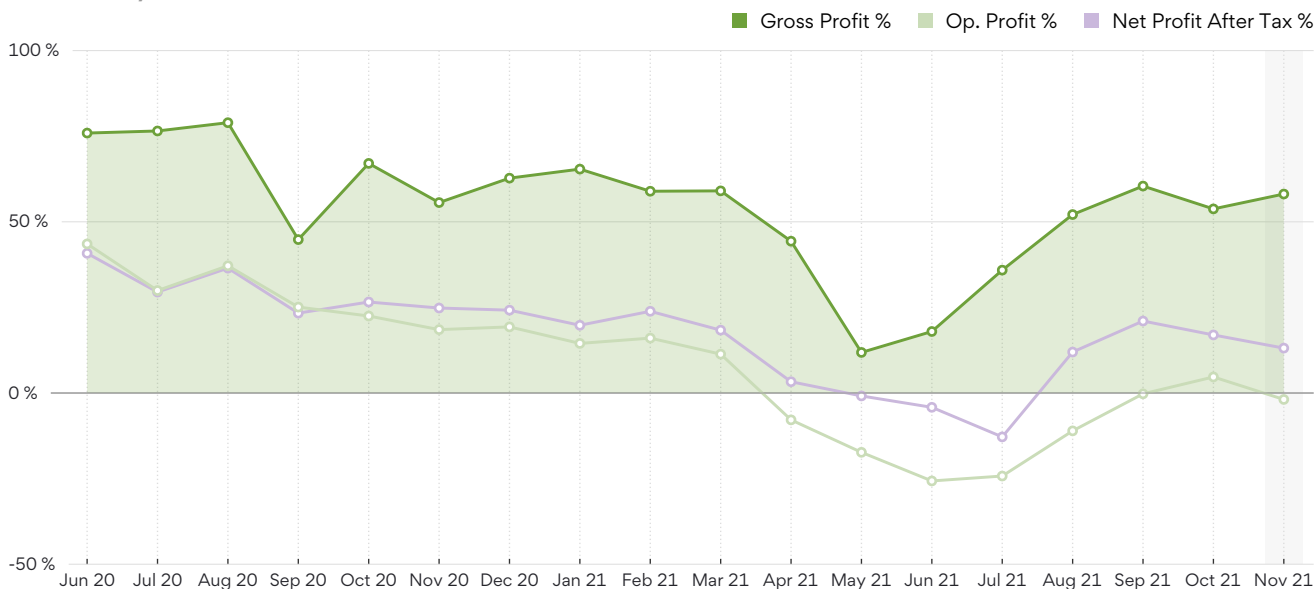
Expenses for all time



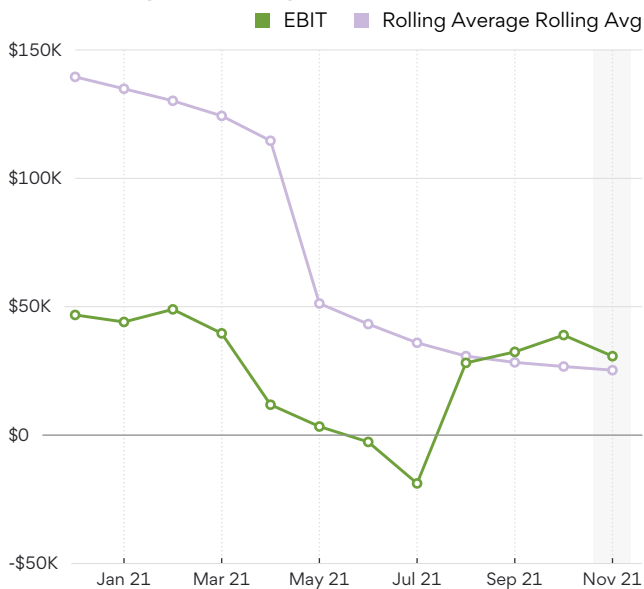
# Profitability Margins

KPIs (This Month vs Target)	Nov 2021	Budget (Nov 2021)	Oct 2021	Sep 2021	% of Revenue
Gross Profit	\$101,224	\$211,612	\$97,558	\$114,238	58.1%
Operating Profit	-\$3,276	\$40,996	\$8,513	-\$457	-1.9%
Earnings Before Interest & Tax	\$30,741	\$70,930	\$38,951	\$32,408	17.6%
Earnings After Tax	\$22,839	\$37,334	\$30,772	\$39,733	13.1%

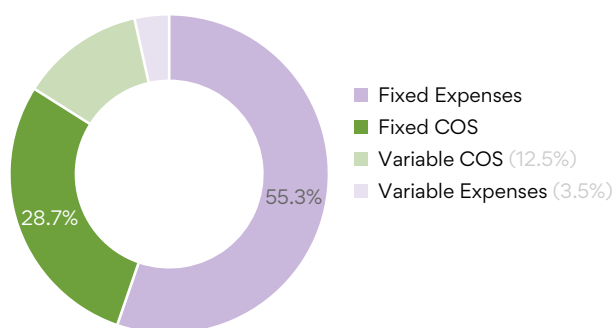
## Profitability Metrics



## EBIT - This year vs last year



## Expenditure Mix



# Breakeven Analysis

## TOTAL REVENUE

**\$174,182**

▼ -4% from last month



A measure of the total amount of money received by the company for goods sold or services provided.

## EXPENSES TO REVENUE RATIO

**101.88%**

▲ 6.57% from last month



A measure of how efficiently the business is conducting its operations.

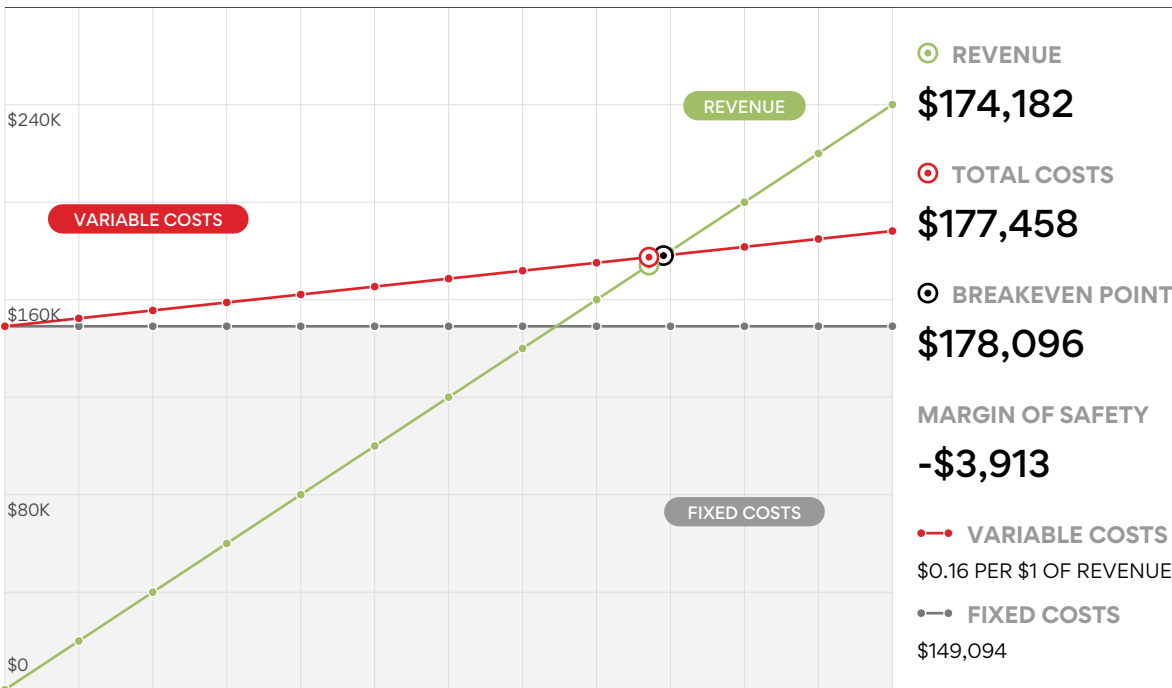
## BREAKEVEN MARGIN OF SAFETY

**-\$3,913**

▼ -135.5% from last month



The breakeven safety margin represents the gap between the actual revenue level and the breakeven point. In other words, the amount by which revenue can drop before losses begin to be incurred.





# Cash Flow

## OPERATING CASH FLOW

**\$204,402**



Operating cash flow is simply the cash generated by the operating activities of the business. Operating activities include the production, sales and delivery of the company's product and/or services as well as collecting payment from its customers and making payment to suppliers.

## FREE CASH FLOW

**\$236,078**



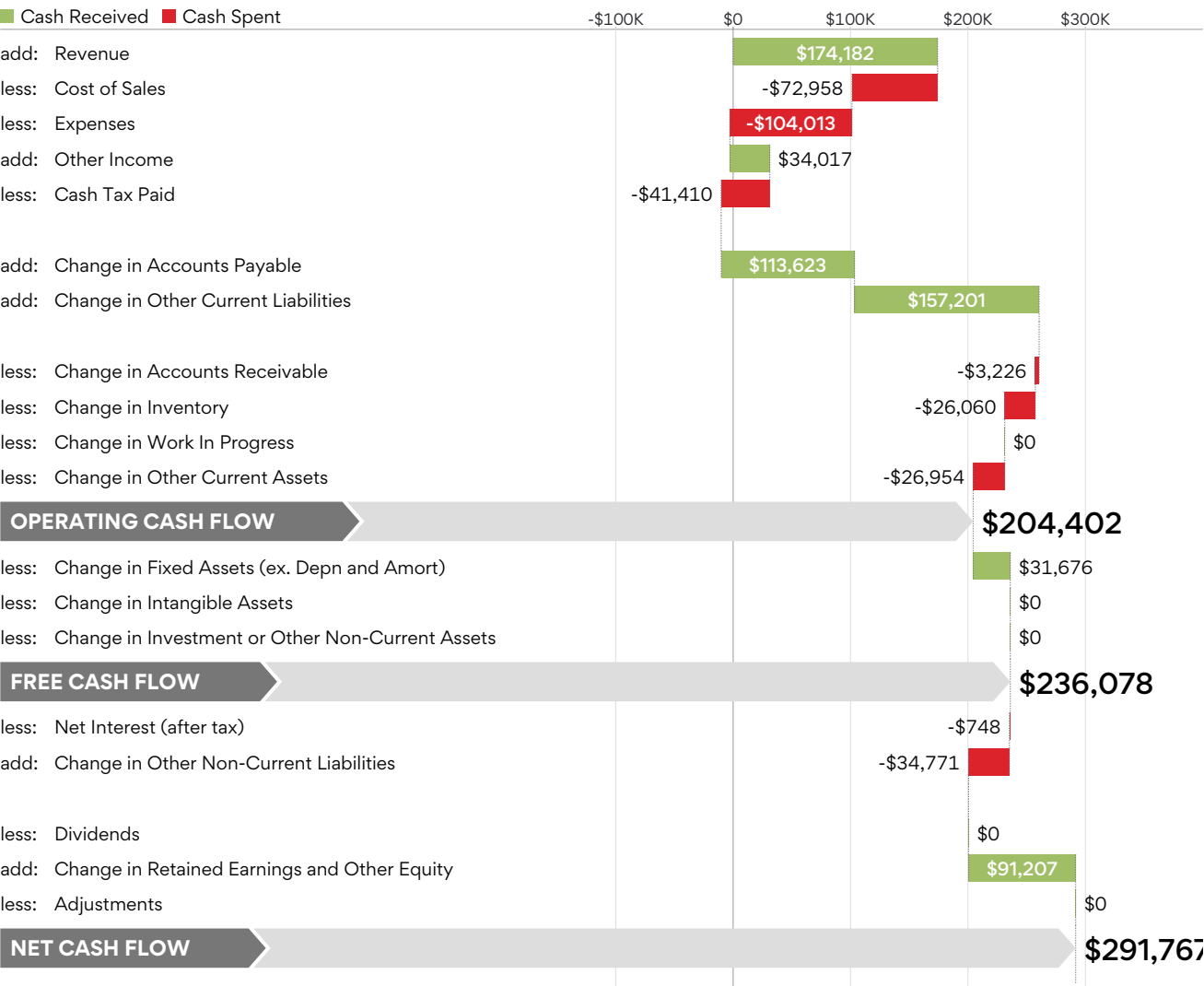
Free cash flow is cash generated by the business, after paying its expenses and investing for future growth. It is the cash left after subtracting capital expenditure from operating cash flow. The term "free cash flow" is used because this cash is free to be paid back to the suppliers of capital.

## NET CASH FLOW

**\$291,767**



Net cash flow is the cash flow remaining after operating, investing and financing activities. Financing activities may include cash outflows such as interest payments to lenders or dividend payments to shareholders.



Net Cash Flow can also be calculated as:

**Change in Cash on Hand** \$403,446

(Open: \$1,196,086, Close: \$1,599,532)

**— Change in Debt** \$106,467

(Open: \$505,926, Close: \$612,393)

# Financials

PROFIT & LOSS	Nov 2021	Oct 2021	This month vs last month (%)	This month vs last month (\$)
<b>Revenue</b>				
Café Income	\$174,182	\$181,440	-4.00%	-\$7,258
<b>Cost of Sales</b>				
<b>Fixed COS</b>				
Kichen Equipment	\$36,681	\$34,875	5.18%	\$1,805
Barista Wages	\$14,108	\$13,414	5.18%	\$694
<b>Total Fixed COS</b>	<b>\$50,789</b>	<b>\$48,289</b>	<b>5.18%</b>	<b>\$2,500</b>
<b>Ingredients</b>				
Food Expense	\$13,263	\$13,097	1.26%	\$165
Cold Drink Expenses	\$3,112	\$16,822	-81.50%	-\$13,710
Coffee Expense	\$5,795	\$5,674	2.14%	\$121
<b>Total Ingredients</b>	<b>\$22,169</b>	<b>\$35,593</b>	<b>-37.71%</b>	<b>-\$13,423</b>
<b>Total Cost of Sales</b>	<b>\$72,958</b>	<b>\$83,882</b>	<b>-13.02%</b>	<b>-\$10,923</b>
<b>Gross Profit</b>	<b>\$101,224</b>	<b>\$97,558</b>	<b>3.76%</b>	<b>\$3,666</b>
<b>Expenses</b>				
<b>Miscellaneous Expenses</b>				
Charitable Donations	\$1,406	\$1,376	2.18%	\$30
Consulting Fees	\$9,047	\$8,409	7.58%	\$638
Loan Interest	\$136	\$3,869	-96.48%	-\$3,733
Accounting & Legal	\$1,333	\$1,333	0.00%	\$0
<b>Total Miscellaneous Expenses</b>	<b>\$11,922</b>	<b>\$14,987</b>	<b>-20.45%</b>	<b>-\$3,065</b>
<b>Marketing &amp; Advertising</b>				
Website	\$759	\$746	1.74%	\$13
Advertising & Promotions	\$13,296	\$12,842	3.53%	\$453
Online Advertising	\$1,753	\$1,264	38.69%	\$489
Printing & Stationery	\$159	\$419	-62.18%	-\$261
Marketing	\$6,195	\$5,811	6.61%	\$384
Print Advertising	\$146	\$27	446.06%	\$120
<b>Total Marketing &amp; Advertising</b>	<b>\$22,308</b>	<b>\$21,110</b>	<b>5.68%</b>	<b>\$1,198</b>
<b>Rent</b>				
Repairs & Maintenance	\$278	\$5,075	-94.52%	-\$4,797
Lighting & Power	\$265	\$153	73.62%	\$112
Telephone & Internet	\$9,255	\$2,848	224.97%	\$6,407
Postage	\$67	\$67	0.02%	\$0
Insurance	\$5,795	\$5,674	2.14%	\$121
Utilities	\$471	\$886	-46.85%	-\$415
Software	\$471	\$357	32.01%	\$114
Bank Fees	\$500	\$491	1.88%	\$9
Rent	\$9,281	\$4,285	116.59%	\$4,996
<b>Total Rent</b>	<b>\$26,384</b>	<b>\$19,836</b>	<b>33.01%</b>	<b>\$6,548</b>
<b>Salaries &amp; Wages</b>				
Travel & Accommodation	\$8,660	\$8,672	-0.14%	-\$12
Training & Education	\$6,735	\$3,952	70.41%	\$2,783
Worker's Compensation	\$83	\$0	-	\$83
Entertainment	\$13,458	\$5,518	143.89%	\$7,940
Contractors	\$13,263	\$13,097	1.26%	\$165
Salaries & Wages	\$1,200	\$1,200	0.00%	\$0

	Nov 2021	Oct 2021	This month vs last month (%)	This month vs last month (\$)
<b>Total Salaries &amp; Wages</b>	<b>\$43,399</b>	<b>\$32,440</b>	<b>33.78%</b>	<b>\$10,959</b>
Depreciation & Amortisation	\$487	\$673	-27.64%	-\$186
<b>Total Expenses</b>	<b>\$104,500</b>	<b>\$89,046</b>	<b>17.36%</b>	<b>\$15,454</b>
<b>Operating Profit</b>	<b>-\$3,276</b>	<b>\$8,513</b>	<b>-138.48%</b>	<b>-\$11,789</b>
<b>Other Income</b>				
Other Revenue	\$34,017	\$30,439	11.76%	\$3,578
<b>Earnings Before Interest &amp; Tax</b>	<b>\$30,741</b>	<b>\$38,951</b>	<b>-21.08%</b>	<b>-\$8,210</b>
<b>Interest Income</b>				
Interest Income	-\$1,068	\$858	-224.55%	-\$1,926
<b>Earnings Before Tax</b>	<b>\$29,672</b>	<b>\$39,809</b>	<b>-25.46%</b>	<b>-\$10,137</b>
<b>Tax Expenses</b>				
Payroll Tax	\$452	\$433	4.51%	\$20
Tax Expense	\$743	\$1,040	-28.59%	-\$297
Income Tax Expense	\$5,638	\$7,564	-25.46%	-\$1,926
<b>Earnings After Tax</b>	<b>\$22,839</b>	<b>\$30,772</b>	<b>-25.78%</b>	<b>-\$7,933</b>
<b>Net Income</b>	<b>\$22,839</b>	<b>\$30,772</b>	<b>-25.78%</b>	<b>-\$7,933</b>

# Forecasted Financials

PROFIT & LOSS	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Total
<b>Revenue</b>													
Café Income	\$162,000	\$162,162	\$189,000	\$181,440	\$174,182	\$149,339	\$150,287	\$156,279	\$157,500	\$158,772	\$160,893	\$167,972	\$1,969,826
<b>Cost of Sales</b>													
Fixed COS	\$46,121	\$46,047	\$48,683	\$48,289	\$50,789	\$48,851	\$49,853	\$55,438	\$56,440	\$57,441	\$58,443	\$59,445	\$625,839
Ingredients	\$57,736	\$31,593	\$26,079	\$35,593	\$22,169	\$51,184	\$53,089	\$54,994	\$56,898	\$58,803	\$60,707	\$62,612	\$571,457
<b>Total Cost of Sales</b>	<b>\$103,857</b>	<b>\$77,640</b>	<b>\$74,762</b>	<b>\$83,882</b>	<b>\$72,958</b>	<b>\$100,036</b>	<b>\$102,942</b>	<b>\$110,432</b>	<b>\$113,338</b>	<b>\$116,244</b>	<b>\$119,150</b>	<b>\$122,056</b>	<b>\$1,197,296</b>
<b>Gross Profit</b>	<b>\$58,143</b>	<b>\$84,522</b>	<b>\$114,238</b>	<b>\$97,558</b>	<b>\$101,224</b>	<b>\$49,303</b>	<b>\$47,345</b>	<b>\$45,847</b>	<b>\$44,162</b>	<b>\$42,528</b>	<b>\$41,743</b>	<b>\$45,916</b>	<b>\$772,530</b>
<b>Expenses</b>													
Miscellaneous Expenses	\$19,139	\$14,647	\$31,300	\$14,987	\$11,922	\$18,658	\$18,797	\$20,252	\$20,773	\$19,383	\$12,626	\$21,848	\$224,335
Marketing & Advertising	\$23,668	\$23,309	\$22,675	\$21,110	\$22,308	\$20,246	\$20,620	\$29,935	\$30,043	\$31,010	\$54,326	\$36,274	\$335,524
Rent	-\$2,598	\$13,311	\$16,856	\$19,836	\$26,384	\$6,863	\$13,041	\$5,135	\$6,911	\$5,584	-\$7,438	-\$746	\$103,139
Salaries & Wages	\$56,769	\$50,745	\$43,423	\$32,440	\$43,399	\$46,547	\$48,683	\$46,004	\$51,793	\$49,041	\$58,109	\$57,593	\$584,546
Depreciation & Amortisation	\$441	\$440	\$440	\$673	\$487	\$0	\$0	\$2,368	\$2,368	\$2,368	\$2,368	\$2,368	\$14,322
<b>Total Expenses</b>	<b>\$97,418</b>	<b>\$102,453</b>	<b>\$114,695</b>	<b>\$89,046</b>	<b>\$104,500</b>	<b>\$92,314</b>	<b>\$101,141</b>	<b>\$103,694</b>	<b>\$111,889</b>	<b>\$107,386</b>	<b>\$119,992</b>	<b>\$117,337</b>	<b>\$1,261,865</b>
<b>Operating Profit</b>	<b>-\$39,276</b>	<b>-\$17,931</b>	<b>-\$457</b>	<b>\$8,513</b>	<b>-\$3,276</b>	<b>-\$43,011</b>	<b>-\$53,796</b>	<b>-\$57,847</b>	<b>-\$67,728</b>	<b>-\$64,858</b>	<b>-\$78,248</b>	<b>-\$71,421</b>	<b>-\$489,336</b>
<b>Other Income</b>													
Other Revenue	\$20,470	\$46,063	\$32,865	\$30,439	\$34,017	-\$36,958	-\$35,041	-\$32,484	-\$33,535	-\$33,774	\$316,649	-\$28,005	\$280,706
<b>Earnings Before Interest &amp; Tax</b>	<b>-\$18,805</b>	<b>\$28,132</b>	<b>\$32,408</b>	<b>\$38,951</b>	<b>\$30,741</b>	<b>-\$79,969</b>	<b>-\$88,837</b>	<b>-\$90,331</b>	<b>-\$101,262</b>	<b>-\$98,632</b>	<b>\$238,401</b>	<b>-\$99,426</b>	<b>-\$208,629</b>
<b>Interest Income</b>													
Interest Income	\$643	-\$1,777	\$17,111	\$858	-\$1,068	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,766
<b>Interest Expenses</b>													
interest expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$975	\$958	\$941	\$924	\$3,798
<b>Earnings Before Tax</b>	<b>-\$18,162</b>	<b>\$26,355</b>	<b>\$49,519</b>	<b>\$39,809</b>	<b>\$29,672</b>	<b>-\$79,969</b>	<b>-\$88,837</b>	<b>-\$90,331</b>	<b>-\$102,237</b>	<b>-\$99,590</b>	<b>\$237,460</b>	<b>-\$100,350</b>	<b>-\$196,661</b>
<b>Tax Expenses</b>													
Payroll Tax	\$3,968	\$185	-\$1,018	\$433	\$452	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,020
Tax Expense	\$2,086	\$1,757	\$1,395	\$1,040	\$743	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,021
Income Tax Expense	-\$3,451	\$5,007	\$9,409	\$7,564	\$5,638	-\$15,194	-\$16,879	-\$17,163	-\$19,425	-\$18,922	\$45,117	-\$19,066	-\$37,365
<b>Earnings After Tax</b>	<b>-\$20,764</b>	<b>\$19,405</b>	<b>\$39,733</b>	<b>\$30,772</b>	<b>\$22,839</b>	<b>-\$64,775</b>	<b>-\$71,958</b>	<b>-\$73,168</b>	<b>-\$82,812</b>	<b>-\$80,668</b>	<b>\$192,343</b>	<b>-\$81,283</b>	<b>-\$170,336</b>
<b>Net Income</b>	<b>-\$20,764</b>	<b>\$19,405</b>	<b>\$39,733</b>	<b>\$30,772</b>	<b>\$22,839</b>	<b>-\$64,775</b>	<b>-\$71,958</b>	<b>-\$73,168</b>	<b>-\$82,812</b>	<b>-\$80,668</b>	<b>\$192,343</b>	<b>-\$81,283</b>	<b>-\$170,336</b>

# Forecast Data

REVENUE FORECAST	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Total
Baseline	\$162,000	\$162,162	\$189,000	\$181,440	\$174,182	\$149,339	\$150,287	\$151,279	\$152,315	\$153,395	\$155,318	\$162,190	\$1.943M
Instagram Campaign	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,185	\$5,377	\$5,576	\$5,782	\$26,920
Total Revenue Forecast	\$162,000	\$162,162	\$189,000	\$181,440	\$174,182	\$149,339	\$150,287	\$156,279	\$157,500	\$158,772	\$160,893	\$167,972	\$1.970M

## Business Roadmap

