



Monthly Performance Report

Vanderlay Industries
April 2025

Executive Summary

Overview

Revenue Performance

Total revenue for the month reached **£1,521,115**, exceeding both the **budgeted £1,502,458** and **last month's £1,275,946**. This positive variance is largely attributed to the successful onboarding of a new contract. While this is encouraging, it is essential to ensure that our **gross profit margin is maintained** and that we have the **operational capacity** to consistently meet customer expectations.

Profitability

- **Gross Profit:** £733,343 (vs. budget £876,540; last month £600,444)
- **EBITDA:** £289,471 (vs. budget £441,507; last month £173,691)

Although revenue has increased, the **gross profit percentage** is significantly behind at **48% versus a budgeted 58%**. Potential margin pressure and cost inefficiencies need to be addressed — to be discussed in the review meeting.

Cost Considerations

- **Interest Expenses:** £31,594 for the month
 - **Action Point:** Address the **£3.7 million in short-term debt** through refinancing to reduce the ongoing interest burden.
- **Wages:** £332,343 (vs. budget £358,150)
 - This underspend highlights the **recruitment challenges** we are currently facing. Further investigation into how we can address this will be discussed in the review meeting, as adequate staffing is essential to support our new contract.
- **Motor Vehicle Expenses:** Notably high
 - **Action Point:** Conduct a **cost-benefit analysis** comparing vehicle **leasing versus ownership** to assess the long-term financial impact.

KPI Results

	RESULT		TREND
A PROFITABILITY	APR 2025	APR 2024	vs APR 2024
Total Revenue	£1,521,115	£1,320,758	▲ 15.2%
Gross Profit Margin	48.21%	43.15%	▲ 5.06%
Operating Profit Margin	16.99%	7.4%	▲ 9.59%
B ACTIVITY			
Cash Conversion Cycle *	45 days	73 days	▼ -28 days
Inventory Days *	69 days	70 days	▼ -1 days
Accounts Receivable Days *	39 days	38 days	▲ 1 days
Accounts Payable Days	63 days	35 days	▲ 28 days
C LIQUIDITY			
Current Ratio	0.84:1	0.76:1	▲ 0.09:1
Quick Ratio	0.53:1	0.45:1	▲ 0.08:1
D CASH FLOW			
Cash on Hand	£1,318,284	£1,108,052	▲ 19%
Operating Cash Flow	£200,565	£110,897	▲ 80.9%
Free Cash Flow	£147,719	£159,515	▼ -7.4%
Net Cash Flow	£120,003	£48,930	▲ 145.3%
E GROWTH			
Revenue Growth	19.21%	20.06%	▼ -0.84%
Operating Profit Growth	78.27%	42.43%	▲ 35.84%

* For this metric, a result below target is favourable

Revenue Analysis

APRIL 2025 - ACTUALS

£1,521,115

▲ 15.2% from Apr 2024

SAME MONTH LAST YEAR (Apr 24)

£1,320,758

APRIL 2025 - BUDGET

£1,502,248 Target

YTD ACTUAL (2025 YTD)

£5,210,962

▲ 12.9% from last year (YTD)

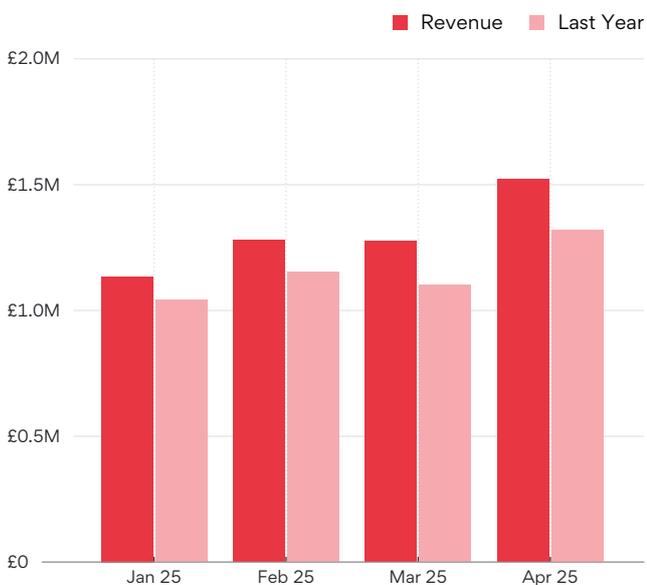
YTD LAST YEAR (2024 YTD)

£4,615,777

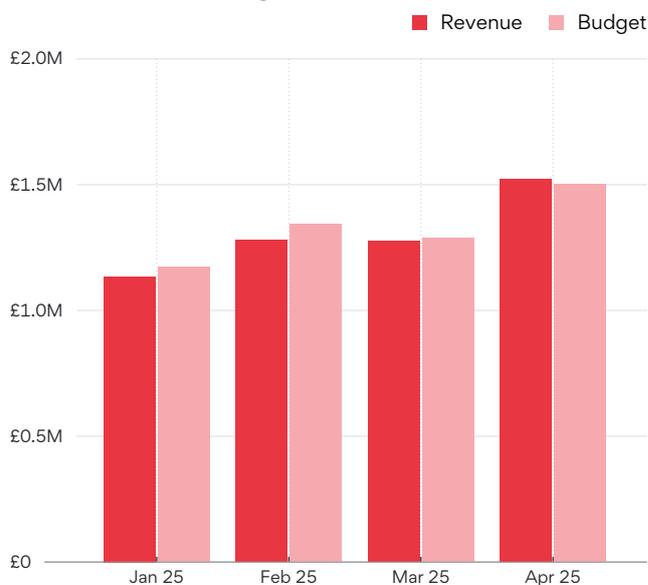
BUDGET (2025 YTD)

£5,304,605 Target

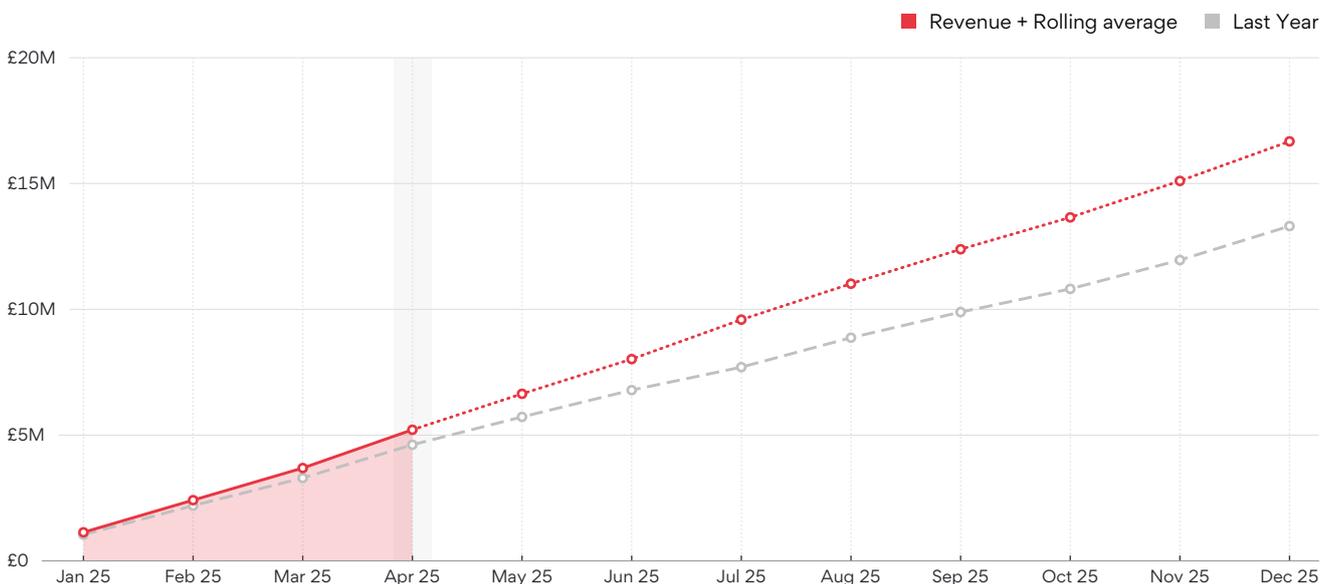
Current Year vs Last Year



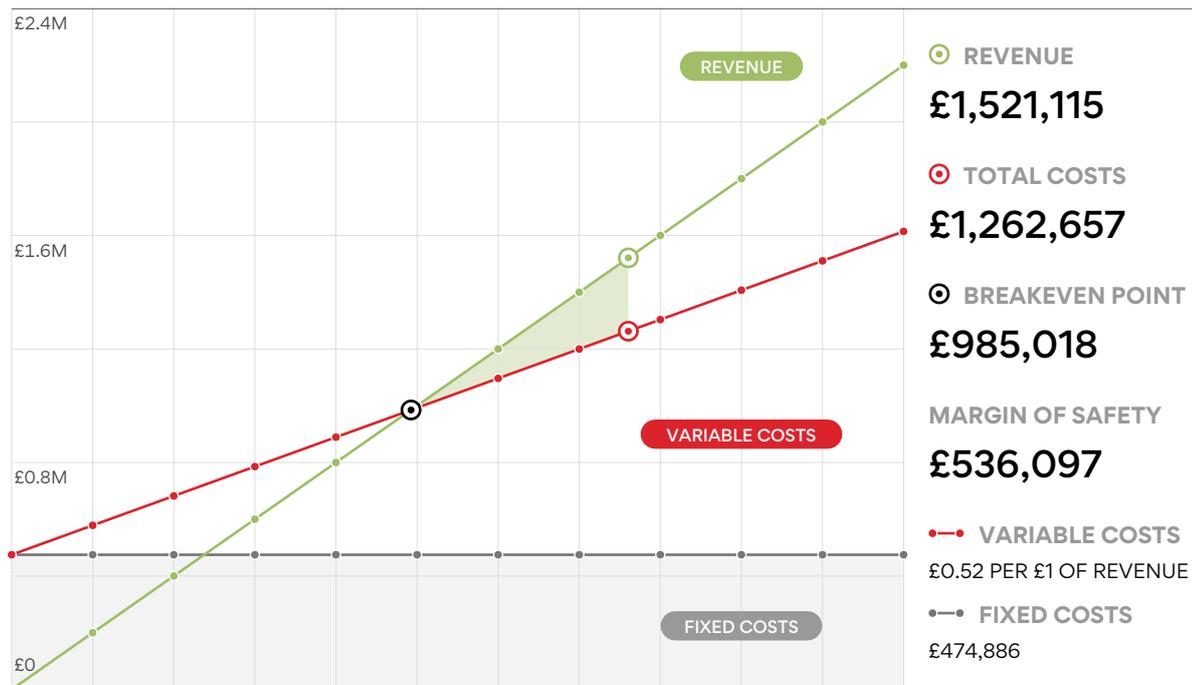
Current Year vs Budget



Cumulative Revenue



Profitability



What This Graph Shows:

- **Green Line (Revenue):** This line shows how much money the business makes as it sells more units.
- **Red Line (Variable Costs):** This line shows the variable costs, attributable to each unit sold.
- **Grey Line (Fixed Cost):** This line shows the fixed costs, which are unaffected directly by the amount of units sold.
- **Black Dot (Breakeven Point):** This is the point where revenue equals total cost — the business at this point is not making a profit or a loss.
- **Red Dot (Margin of Safety):** This shows how much sales can drop before the business starts making a loss. It's the "safe zone" above the breakeven point.

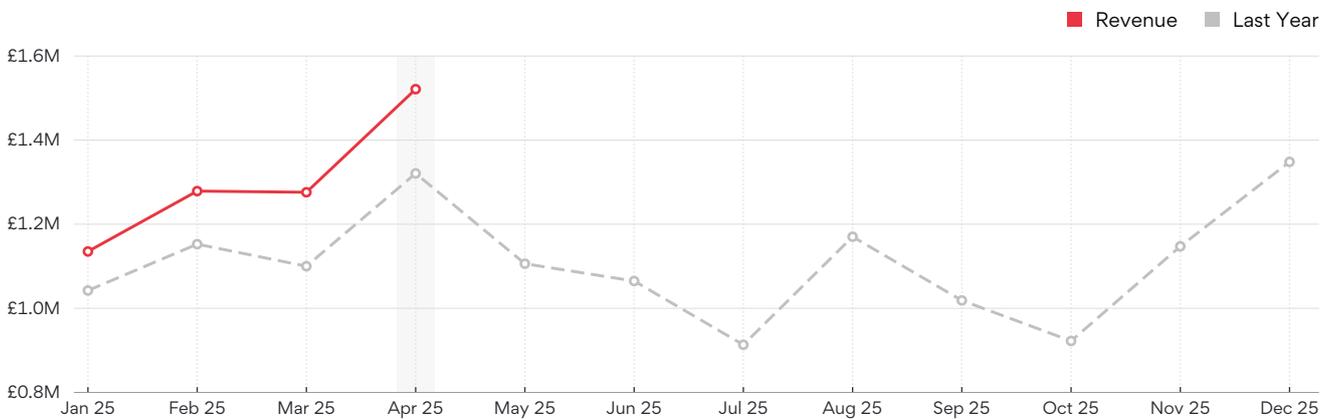
In Simple Terms:

- Your **breakeven point** is at **£985,018**.
- You're currently selling **£1,521,115**.
- The **margin of safety** is **£536,097** — meaning you could lose that many sales and still not make a loss.

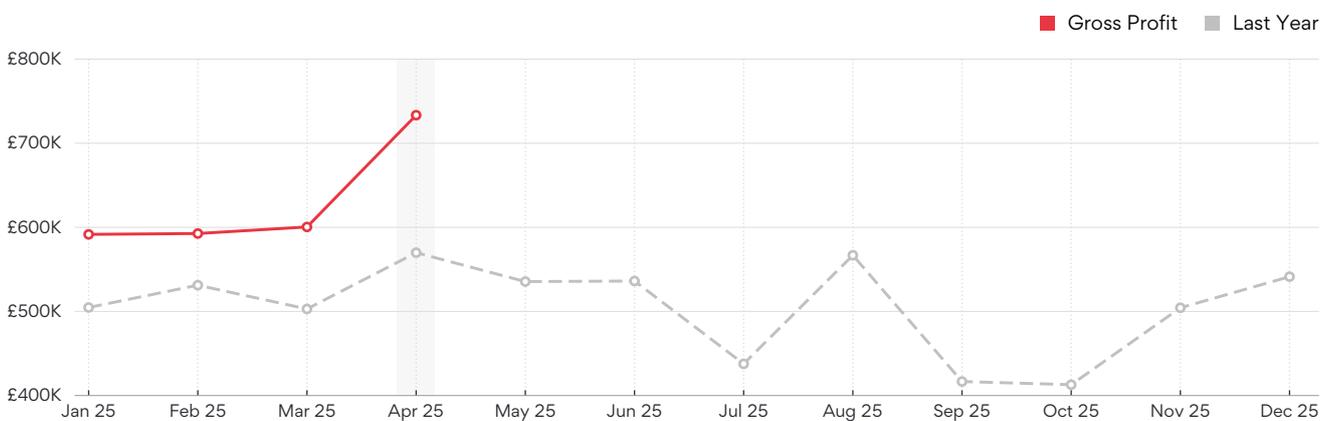
Profitability Charts

	Apr 2025	% of Revenue	Mar 2025	Feb 2025	Jan 2025
Revenue	£1,521,115	100.0%	£1,275,946	£1,278,717	£1,135,184
Gross Profit	£733,343	48.2%	£600,444	£592,641	£591,616
EBITDA	£289,471	19.0%	£173,691	£180,720	£165,075

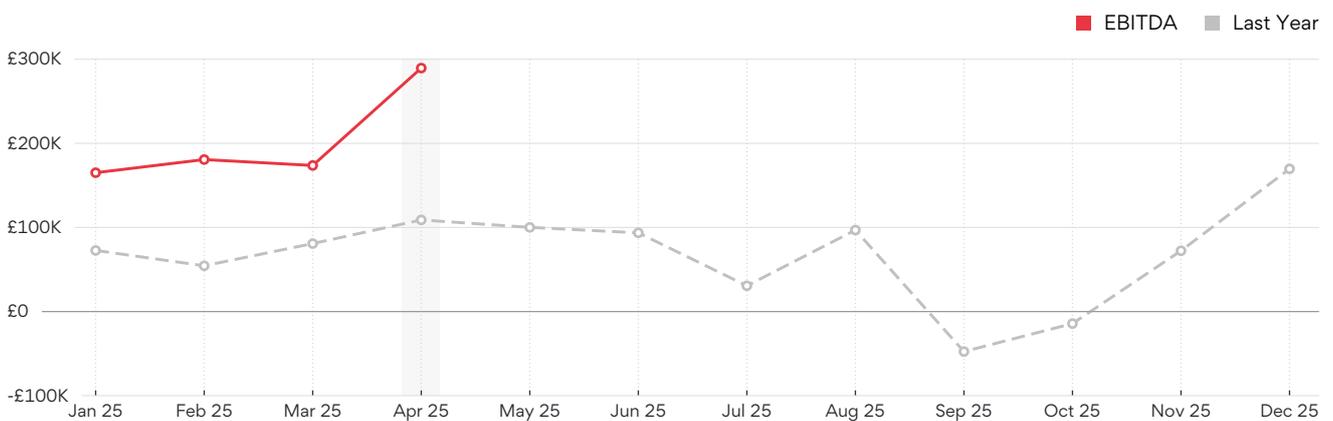
Revenue



Gross Profit



EBITDA



Cash Flow

OPERATING CASH FLOW

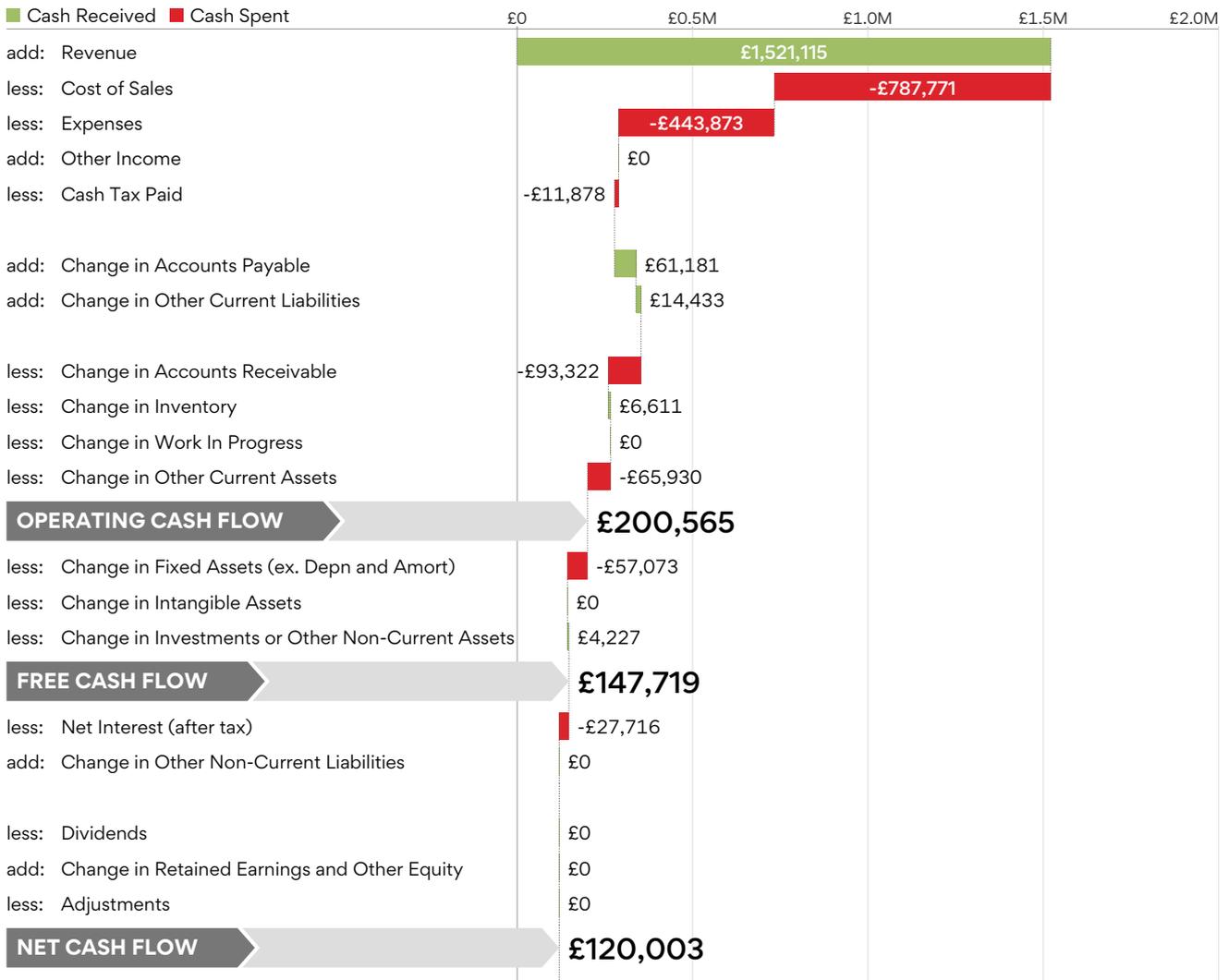
FREE CASH FLOW

NET CASH FLOW

£200,565

£147,719

£120,003



Net Cash Flow can also be calculated as:

Change in Cash on Hand £67,402

(Open: £1,250,882, Close: £1,318,284)

— Change in Debt -£52,601

(Open: £4,360,010, Close: £4,307,409)

Financials

PROFIT & LOSS	Apr 2025	Budget (Apr 2025)	Mar 2025	This month vs budget (£)	This month vs last month (£)
Revenue					
Sales	£1,472,107	£1,485,675	£1,232,144	-£13,568	£239,963
Sales - Consulting	£31,666	£0	£26,461	£31,666	£5,206
Sales - Maintenance	£17,341	£16,573	£17,341	£768	£0
Total Revenue	£1,521,115	£1,502,248	£1,275,946	£18,867	£245,168
Cost of Sales					
COS Goods	£672,262	£530,850	£577,469	£141,412	£94,792
COS Other	£115,509	£94,858	£98,032	£20,651	£17,477
Total Cost of Sales	£787,771	£625,708	£675,502	£162,064	£112,269
Gross Profit Before Depreciation	£733,343	£876,540	£600,444	-£143,197	£132,899
Gross Profit Before Depn (%)	48.21%	58.35%	47.06%	-10.14%	1.15%
Expenses					
Insurance	£7,962	£8,000	£7,962	-£38	£0
Marketing & Advertising	£17,717	£12,093	£16,705	£5,624	£1,012
Motor Vehicle Expenses	£23,821	£10,000	£16,853	£13,821	£6,968
Professional Services	£16,012	£2,790	£16,301	£13,221	-£289
Rent & Utilities	£18,705	£16,164	£15,083	£2,542	£3,623
Repairs	£5,751	£7,899	£6,619	-£2,148	-£867
Travel & Entertainment	£21,561	£20,063	£27,919	£1,498	-£6,358
Wages & Salaries	£332,343	£358,150	£319,312	-£25,806	£13,031
Total Expenses	£443,873	£435,159	£426,754	£8,714	£17,119
Operating Profit Before Depn & Amort.	£289,471	£441,381	£173,691	-£151,911	£115,780
Other Income					
Other Income	£0	£125	£0	-£125	£0
EBITDA	£289,471	£441,507	£173,691	-£152,036	£115,780
EBITDA Margin (%)	19.03%	29.39%	13.61%	-10.36%	5.42%
Depreciation & Amortisation	£31,013	£30,273	£28,712	£740	£2,302
Earnings Before Interest & Tax	£258,457	£411,234	£144,979	-£152,777	£113,478
Interest Expenses					
Interest Expenses	£31,594	£27,282	£31,600	£4,312	-£6
Other Loan Interest	£8,001	£8,000	£7,995	£1	£5
Earnings Before Tax	£218,863	£375,952	£105,384	-£157,089	£113,479
Tax Expenses					
Tax Expenses	£36,789	£81,245	£17,042	-£44,456	£19,748
Earnings After Tax	£182,074	£294,707	£88,342	-£112,633	£93,732
Net Income	£182,074	£294,707	£88,342	-£112,633	£93,732
Net Income Margin (%)	11.97%	19.62%	6.92%	-7.65%	5.05%

PROFIT & LOSS	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
Revenue					
Sales	£1,012,303	£1,234,468	£1,232,144	£1,472,107	£4,951,023
Sales - Consulting	£16,667	£26,908	£26,461	£31,666	£101,702
Sales - Maintenance	£105,866	£17,341	£17,341	£17,341	£157,889
Sales - Seminars	£348	£0	£0	£0	£348
Total Revenue	£1,135,184	£1,278,717	£1,275,946	£1,521,115	£5,210,962
Cost of Sales					
COS Goods	£444,548	£586,460	£577,469	£672,262	£2,280,739
COS Other	£99,020	£99,617	£98,032	£115,509	£412,179
Total Cost of Sales	£543,568	£686,076	£675,502	£787,771	£2,692,917
Gross Profit Before Depreciation	£591,616	£592,641	£600,444	£733,343	£2,518,045
Gross Profit Before Depn (%)	52.12%	46.35%	47.06%	48.21%	48.32%
Expenses					
Insurance	£7,962	£7,962	£7,962	£7,962	£31,849
Marketing & Advertising	£20,793	£17,717	£16,705	£17,717	£72,932
Motor Vehicle Expenses	£15,987	£16,971	£16,853	£23,821	£73,633
Professional Services	£16,273	£16,416	£16,301	£16,012	£65,001
Rent & Utilities	£14,577	£15,411	£15,083	£18,705	£63,776
Repairs	£10,296	£5,751	£6,619	£5,751	£28,417
Travel & Entertainment	£23,094	£21,908	£27,919	£21,561	£94,481
Wages & Salaries	£317,559	£309,785	£319,312	£332,343	£1,279,000
Total Expenses	£426,541	£411,921	£426,754	£443,873	£1,709,089
EBITDA	£165,075	£180,720	£173,691	£289,471	£808,956
EBITDA Margin (%)	14.54%	14.13%	13.61%	19.03%	15.52%
Depreciation & Amortisation	£28,712	£28,712	£28,712	£31,013	£117,149
Earnings Before Interest & Tax	£136,363	£152,008	£144,979	£258,457	£691,807
Interest Expenses					
Interest Expenses	£28,625	£31,606	£31,600	£31,594	£123,425
Other Loan Interest	£6,713	£7,990	£7,995	£8,001	£30,699
Earnings Before Tax	£101,024	£112,411	£105,384	£218,863	£537,682
Tax Expenses					
Tax Expenses	£25,977	£23,059	£17,042	£36,789	£102,866
Earnings After Tax	£75,048	£89,352	£88,342	£182,074	£434,816
Net Income	£75,048	£89,352	£88,342	£182,074	£434,816
Net Income Margin (%)	6.61%	6.99%	6.92%	11.97%	8.34%

BALANCE SHEET	Apr 2025	Mar 2025	This month vs last month (£)
ASSETS			
Cash & Equivalents	£1,318,284	£1,250,882	£67,402
Accounts Receivable	£1,977,426	£1,884,104	£93,322
Inventory	£1,819,186	£1,825,797	-£6,611
Other Current Assets	£138,184	£72,254	£65,930
Total Current Assets	£5,253,080	£5,033,037	£220,043
Fixed Assets	£557,890	£531,830	£26,060
Investments or Other NCAs	£354,417	£358,645	-£4,227
Total Non-Current Assets	£912,307	£890,474	£21,833
Total Assets	£6,165,387	£5,923,511	£241,876
LIABILITIES			
Short Term Debt	£3,732,843	£3,782,554	-£49,711
Accounts Payable	£1,648,575	£1,587,394	£61,181
Tax Liability	£82,076	£45,287	£36,789
Other Current Liabilities	£759,538	£745,105	£14,433
Total Current Liabilities	£6,223,032	£6,160,340	£62,692
Long Term Debt	£574,566	£577,457	-£2,890
Total Non-Current Liabilities	£574,566	£577,457	-£2,890
Total Liabilities	£6,797,599	£6,737,797	£59,802
EQUITY			
Retained Earnings	-£1,067,028	-£1,067,028	£0
Current Earnings	£434,816	£252,742	£182,074
Total Equity	-£632,212	-£814,286	£182,074
Total Liabilities & Equity	£6,165,387	£5,923,511	£241,876

CASH FLOW STATEMENT	Apr 2025	Mar 2025	This month vs last month (£)
OPERATING ACTIVITIES			
Net Income	£182,074	£88,342	£93,732
Depreciation & Amortisation	£31,013	£28,712	£2,302
Change in Accounts Payable	£61,181	£78,275	-£17,094
Change in Other Current Liabilities	£14,433	-£166,219	£180,652
Change in Tax Liability	£36,789	£17,042	£19,748
Change in Accounts Receivable	-£93,322	£23,030	-£116,352
Change in Inventory	£6,611	-£40,752	£47,363
Change in Other Current Assets	-£65,930	£0	-£65,930
Cash Flow from Operating Activities	£172,849	£28,428	£144,421
INVESTING ACTIVITIES			
Change in Fixed Assets (ex. D&A)	-£57,073	-£15,518	-£41,556
Change in Investments or Other NCAs	£4,227	£4,227	£1
Cash Flow from Investing Activities	-£52,846	-£11,291	-£41,555
FINANCING ACTIVITIES			
Change in Earnings not attrib. to Ret. Income	£0	-£48,888	£48,889
Change in Short Term Debt	-£49,711	£14,101	-£63,812
Change in Long Term Debt	-£2,890	-£2,890	£0
Cash Flow from Financing Activities	-£52,601	-£37,677	-£14,924
Change in Cash & Equivalents	£67,402	-£20,540	£87,942
Cash & Equivalents, Opening Balance	£1,250,882	£1,271,422	-£20,540
Cash & Equivalents, Closing Balance	£1,318,284	£1,250,882	£67,402

KPIs Explained (Appendix)

✓ **Accounts Payable Days** 63 days

A measure of how long it takes for the business to pay its creditors. A stable higher number of days is generally an indicator of good cash management. A longer time taken to pay creditors has a positive impact on Cash Flow. But an excessive lengthening in this ratio could indicate a problem with sufficiency of working capital to pay creditors. For this period, accounts payable days are above the target of 45 days.

Accounts Payable Days = Accounts Payable x Period Length ÷ Cost of Sales

✓ **Accounts Receivable Days** 39 days

A measure of how long it takes for the business to collect the amounts due from customers. A lower number indicates that it takes the business fewer days to collect its accounts receivable. A shorter time to collect debtors has a positive impact on Cash Flow. A higher number indicates that it takes longer to collect its accounts receivable. For this period, accounts receivable days are below the maximum target of 40 days.

Accounts Receivable Days = Accounts Receivable x Period Length ÷ Revenue

✗ **Cash Conversion Cycle** 45 days

A measure of the length of time between purchase of raw materials and the collection of accounts receivable from customers. The Cash Conversion Cycle measures the time between outlay of cash and cash recovery. A shorter cycle minimises the time that working capital is tied up in the operating cycle of the business. For this period, the cash conversion cycle is above the target length of 25 days.

Cash Conversion Cycle = Inventory Days + Accounts Receivable Days + Work in Progress Days – Accounts Payable Days

✓ **Cash on Hand** £1,318,284

A measure of the cash and cash equivalents in actual possession by the company at a particular time. At the end of this period the company held £1,318,284 of cash and cash equivalents. Cash on Hand is above the required target of £10,000.

Cash on Hand = Cash & Equivalents

✗ **Current Ratio** 0.84:1

A measure of liquidity. This measure compares the totals of the current assets and current liabilities. The higher the current ratio, the greater the 'cushion' between current obligations and the business's ability to pay them. Generally a current ratio of 2 or more is an indicator of good short-term financial strength. In other words, the current assets of the business should be at least double the current liabilities. For this period, the current ratio was 0.84:1, up from 0.82:1 last period and below the minimum target of 2.00:1.

Current Ratio = Total Current Assets ÷ Total Current Liabilities

✓ **Free Cash Flow** £147,719

Free cash flow is the 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.

Free Cash Flow = Operating Cash Flow – (Total Non – Current Assets – Opening Total Non – Current Assets + Depreciation + Depreciation & Amortisation)

✘ **Gross Profit Margin** 48.21%

A measure of the proportion of revenue that is left after deducting all costs directly related to the sales. For each £100 in sales the business retains £48.21 after deducting the cost of sales. The gross profit serves as the source for paying operating expenses. The gross profit margin can be further improved by improving price, volume and cost of sales management. For this period, the gross profit margin % is below the required target of 58.35%.

Gross Profit Margin = $\text{Gross Profit} \div \text{Revenue} \times 100$

✘ **Inventory Days** 69 days

A measure of how efficiently the business converts inventory into sales. A lower number of days is generally an indicator of good inventory management. A shorter time holding inventory has a positive impact on cash flow. But a low result can also mean there is a shortage of inventory. Conversely, a high result may indicate overstocking. For this period, inventory days are above the maximum target of 30 days.

Inventory Days = $\text{Inventory} \times \text{Period Length} \div \text{Cost of Sales}$

✔ **Net Cash Flow** £120,003

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 = $\text{Free Cash Flow} - \text{Net Interest} + (\text{Net Interest} \times (\text{Tax Rate} \div 100)) - \text{Dividends} - \text{Adjustments} + (\text{Other Non - Current Liabilities} - \text{Opening Other Non - Current Liabilities}) + (\text{Other Equity} - \text{Opening Other Equity}) + (\text{Retained Earnings} - \text{Opening Retained Earnings}) + (\text{Current Earnings} - \text{Opening Current Earnings}) - \text{Retained Income}$

✔ **Operating Cash Flow** £200,565

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.

Operating Cash Flow = $\text{Earnings Before Interest, Tax, Depn \& Amort.} - \text{Tax Expenses} + (\text{Deferred Taxes} - \text{Opening Deferred Taxes}) - (\text{Non - cash Working Capital} - \text{Opening Non - cash Working Capital}) - (\text{Net Interest} \times (\text{Tax Rate} \div 100))$

✔ **Operating Profit Growth** 78.27%

A measure of the percentage change in operating profit for the period. For this period, operating profit growth of 78.27% exceeded the target of 0.17%.

Operating Profit Growth = $(\text{Operating Profit} - \text{Prior Operating Profit}) \div \text{Prior Operating Profit} \times 100$

✘ **Operating Profit Margin** 16.99%

A measure of the proportion of revenue that is left after deducting all operating expenses. This reveals the operating efficiency of the business. The business converts each £100 of sales into £16.99 of profits. The operating profit margin can be further improved by improving price, volume, cost of sales and expense management. For this period, the operating profit margin is below the required target of 27.37%.

Operating Profit Margin = $\text{Operating Profit} \div \text{Revenue} \times 100$

✘ **Quick Ratio** 0.53:1

The Quick Ratio measures the availability of assets which can quickly be converted into cash to cover current liabilities. Inventory and other less liquid current assets are excluded from this calculation. The Quick Ratio is a measure of the ability to pay short-term creditors immediately from liquid assets. A quick ratio of 1:1 or more is considered 'safe'. For this period, the quick ratio was 0.53:1, up from 0.51:1 last period and below the minimum target of 1.00:1.

Quick Ratio = $(\text{Cash \& Equivalents} + \text{Accounts Receivable}) \div \text{Total Current Liabilities}$

✓ **Revenue Growth 19.21%**

A measure of the percentage change in revenue for the period. Management should ensure that revenues increase at rates higher than general economic growth rates (ie. inflation). For this period, revenue growth of 19.21% exceeded the target growth of 0.41%.

Revenue Growth = $(\text{Revenue} - \text{Prior Revenue}) \div \text{Prior Revenue} \times 100$

✓ **Total Revenue £1,521,115**

A measure of the total amount of income generated by the company for goods sold or services provided. The business has earned total revenues of £1,521,115. Strategies to improve revenue may include increasing prices, increasing the volume of sales through marketing initiatives or finding alternative sources of income. For this period, the revenue earned is above the required target of £1,502,248.

Total Revenue = Revenue