

# Board Report

Month Ended 31 December 2025/26

Prepared for Board Review | Acme Widgets Ltd

## Executive Summary

Monthly Revenue	Gross Margin %	Monthly Net Profit
<b>\$52,981.34</b>	<b>89.49%</b>	<b>\$23,368.78</b>
Budget: \$77,500.00	YTD: 80.14%	Budget: \$43,095.00
YTD Revenue	Current Ratio	Net Working Capital
<b>\$416,074.03</b>	<b>3.43</b>	<b>\$78,587.53</b>
Budget: \$649,500.00	Healthy (>2.0)	vs \$47,193 last year

## Profit & Loss — December 2025/26

### Monthly Performance

	Actual	% Sales	Budget	Variance
Sales	\$52,981.34	100.00%	\$77,500.00	(24,518.66)
Cost of Sales	\$5,567.62	10.51%	\$26,220.00	20,652.38
<b>Gross Margin</b>	<b>\$47,413.72</b>	<b>89.49%</b>	<b>\$51,280.00</b>	<b>(3,866.28)</b>
Other Income	\$10,000.00	18.87%	\$0.00	10,000.00
Total Expenses	\$34,044.94	64.26%	\$8,185.00	(25,859.94)
<b>Net Profit / (Loss)</b>	<b>\$23,368.78</b>	<b>44.11%</b>	<b>\$43,095.00</b>	<b>(19,726.22)</b>

### Year to Date Performance (April – December 2025/26)

	Actual YTD	% Sales	Budget YTD	Variance
Sales	\$416,074.03	100.00%	\$649,500.00	(233,425.97)
Cost of Sales	\$82,635.95	19.86%	\$238,060.00	155,424.05
<b>Gross Margin</b>	<b>\$333,438.08</b>	<b>80.14%</b>	<b>\$411,440.00</b>	<b>(78,001.92)</b>
Other Income	\$20,822.42	5.00%	\$0.00	20,822.42
Total Expenses	\$326,590.02	78.49%	\$79,623.00	(246,967.02)
<b>Net Profit / (Loss)</b>	<b>\$27,670.48</b>	<b>6.65%</b>	<b>\$331,817.00</b>	<b>(304,146.52)</b>

## Balance Sheet — As at 31 December 2025/26

	This Year	Last Year	Movement
<b>CURRENT ASSETS</b>			
Main Bank Account	\$11,072.43	\$42,544.27	(31,471.84)

	This Year	Last Year	Movement
Unbanked	\$13,049.75	\$649.75	12,400.00
Deposit Account	\$380.25	\$380.25	\$0.00
Stock On Hand	\$3,235.82	\$1,963.37	1,272.45
Accounts Receivable	\$73,196.63	\$12,233.35	60,963.28
Other Current Assets	\$9,961.99	\$17,944.66	(7,982.67)
<b>Total Current Assets</b>	<b>\$110,896.87</b>	<b>\$75,715.65</b>	<b>35,181.22</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$20,931.98	\$2,096.49	18,835.49
GST Received	\$4,665.08	\$25,406.54	(20,741.46)
GST Holding	\$6,712.28	\$0.00	6,712.28
<b>Total Current Liabilities</b>	<b>\$32,309.34</b>	<b>\$28,523.03</b>	<b>3,786.31</b>
<b>Net Working Capital</b>	<b>\$78,587.53</b>	<b>\$47,192.62</b>	<b>31,394.91</b>
<b>FIXED ASSETS</b>			
Net Fixed Assets	(\$56,872.44)	(\$17,523.01)	(39,349.43)
<b>Net Assets</b>	<b>\$21,715.09</b>	<b>\$29,669.61</b>	<b>(7,954.52)</b>

## Key Financial Ratios

Ratio	December	Last Year	Commentary
Current Ratio	3.43	2.65	Strong liquidity; well above 2.0
Gross Margin %	89.49%	N/A	Excellent — low COGS relative to
YTD Gross Margin %	80.14%	N/A	Consistently high through the year
Net Profit Margin	44.11%	N/A	Strong monthly result; YTD impacted by advertising spend
Advertising / Sales	48.40%	N/A	Significant in Dec — \$152,903 over budget YTD

## Board Notes & Key Observations

### Revenue

Monthly revenue of \$52,981 was below the December budget of \$77,500 (–\$24,519 or –32%). The shortfall is driven primarily by Repairs revenue (\$8,474 vs budget \$50,000). YTD sales of \$416,074 are tracking at 64% of the full-year budget of \$649,500.

### Gross Margin

The gross margin of 89.49% for December is exceptional and well above the budgeted 66.17%, reflecting very low cost of sales in the month. YTD gross margin of 80.14% also exceeds the budget of 63.35%.

### Advertising Expenditure

Advertising spend of \$25,642 in December was significantly over budget (\$4,000), bringing YTD advertising to \$188,903 against a budget of \$36,000 — an overspend of \$152,903. This is the primary driver of the YTD net profit shortfall vs budget and warrants board discussion.

### Balance Sheet & Liquidity

The balance sheet remains sound. The current ratio of 3.43 reflects strong short-term liquidity, improved from 2.65 at last year end. Accounts receivable has grown to \$73,197 (vs \$12,233 last year end), which should be

monitored for collectability. Net assets stand at \$21,715.