A Company — First Half Summary

January to June, compared with the same six months last year

A sample owner-managed services business · Illustrative report

Prepared by Altum Wealth Advisory · Sample document · For discussion

Illustrative sample. Every figure, client name and comment in this document is invented for demonstration. It shows the shape of the half-year summary an Altum business client receives — the headline result, the multi-quarter trend, and the short list of things to tidy up — using a fictional company. It is not a real business and does not describe any real company's accounts.

$2.72M
Sales, January to June
Up 84% on last year

$1.19M
Profit from the work
More than double

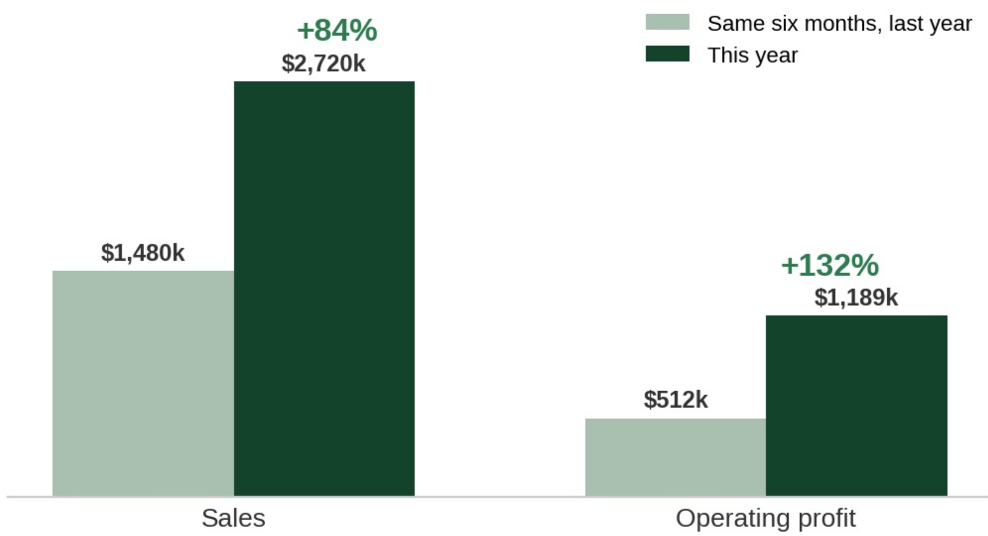
54 cents
Kept per $1 of sales
Was 45 cents last year

$810k
Owed to you at 30 June
Down $265k in a month

The one-line version

You did roughly twice as much business as the same six months last year, and you kept more of every dollar while doing it. That is an unusually good result. There are four things to tidy up, and none of them are about how the business is trading.

First Six Months — This Year Against Last



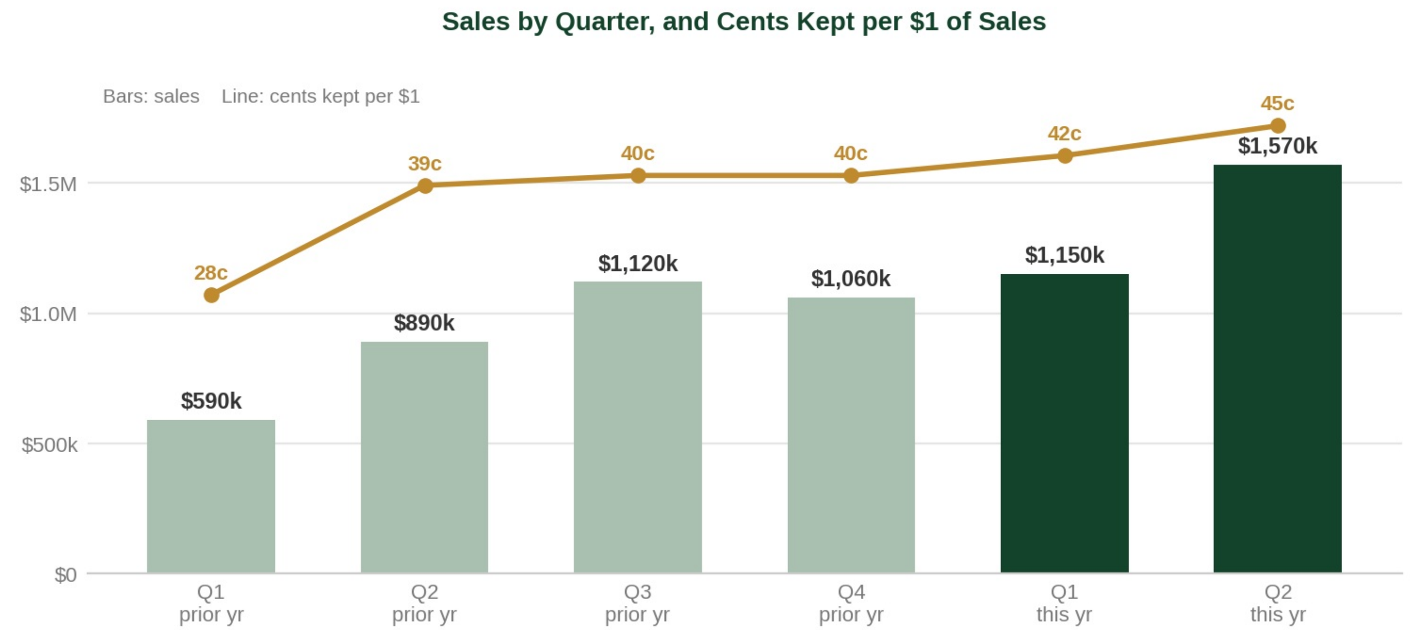
The first six months, this year against last

	Jan–Jun last yr	Jan–Jun this yr	Change
Sales	$1,480,000	$2,720,000	**+84%**
Profit from running the business	$512,000	$1,189,000	**+132%**
Cost of doing the work, per $1 of sales	55 cents	46 cents	**9c better**
Wages, per $1 of sales	41 cents	37 cents	**4c better**
Office and overhead, per $1 of sales	13 cents	13 cents	**Held flat**
Interest paid to the bank	$24,500	About $3,000	**−88%**
What the business is worth on paper	**$248,000**	**$871,000**	**Three and a half times**

What went well

- Sales nearly doubled — up 84%. Both quarters grew at about the same rate, so this is steady, not one strong month.
- You kept 54 cents of every sales dollar after paying the crew and the cost of the work, against 45 cents last year. That is the single best number in this report.
- Wages and overhead both fell as a share of sales while the team did nearly twice the work. Very few businesses manage that.
- The credit line is fully repaid — $228,000 of it in the first six months alone, out of trading cash. Interest fell from $24,500 to roughly $3,000.
- You paid off that debt *and* bought $181,000 of equipment and vehicles out of cash flow in the same six months.
- Clients pay slightly faster than a year ago, and in June alone you collected $265,000 more than you billed.

The last six quarters — this has been building for a while



Quarter	Sales	Operating profit	Kept per $1 of sales
Q1, last year	$590,000	$168,000	28 cents
Q2, last year	$890,000	$344,000	39 cents
Q3, last year	$1,120,000	$448,000	40 cents
Q4, last year	$1,060,000	$424,000	40 cents
Q1, this year	$1,150,000	$483,000	42 cents
Q2, this year	**$1,570,000**	**$706,000**	**45 cents**

Six quarters ago the business kept 28 cents of every sales dollar. It now keeps 45. That steady climb is far more convincing to a bank or a buyer than one strong quarter. It also answers the obvious question — is this just the busy season? No. The spring quarter is always bigger, by 51% last year and 37% this year. And the second half of last year was the larger half, at 58% of the year.

The final quarter of last year is shown before the once-a-year depreciation entry, so that the six quarters compare on the same basis.

Four things to tidy up

1 The in-year accounts understate the profit — worth changing the timing

During the year, the money the owner takes out sits in the profit and loss as though it were a business cost. At the December close it is correctly moved out, and the full-year figures are right. The only issue is the months in between: today's accounts show a profit of $902,000 when the real figure is $1,155,000.

Suggestion: make that same adjustment monthly rather than once a year, so any statement shown to a bank mid-year already tells the true story.

2 Money keeps flowing to the property company, and there is still no lease

The business pays the mortgage on a property held in a separate entity, and it gets recorded as a running balance between the two companies instead of as rent. That balance is now $735,000 — it grew by $141,000 over the last twelve months. Between this and owner draws, about $580,000 left the business over the year.

Why it matters: it is the same money either way, but without a lease it looks disorganised to an outsider and it is harder to explain.

3 Three clients account for three quarters of what you are owed

Of the $810,000 outstanding at the end of June, the largest client owes $268,000, the second $205,000 and the third $128,000 — together 74% of the total. The second is also the only account that went up rather than down last month, and $84,000 of it is now more than 30 days old.

Why it matters: if any one of these three slows down, you feel it immediately. That second account is worth a phone call.

4 The equipment is old, and there is no safety net

About 80% of the value of the vehicles and machines has been used up on paper, and the repair bills are climbing. Replacements are coming and they will need cash. At the same time the business has no credit line it can draw on — the old one was paid off and nothing replaced it.

Why it matters: a good year is the easiest time to arrange a credit line. Waiting until you need one is the hardest.

What we do next

Action	Why
Move the owner-draw adjustment to monthly	The year-end correction already works. Doing it each month means the in-year accounts are right too.
Put the property arrangement in writing	A proper lease at a market rate, and no more mortgage payments through the running balance.
Call the second-largest account, and watch next month's numbers	One conversation about one account. The rest of the ledger is in good shape.
Put a business credit line in place	Around $500,000, arranged now while the year looks this good.