

Cash Wastage Report

		Variance	Growth	Price Effect	Wastage/Gain
Revenue	11 %	350,000	350,000	-----	
Acc Receivable	56 %	239,727	47,945	-----	-191,782
COGS	9 %	210,000	248,889		38,889
Inventory	14 %	125,252	85,167		-40,085
Accounts Payable	-6 %	-26,145	40,219		-66,364
Overheads	3 %	20,999	72,667		51,668
		-272,123	-64,449	-----	-415,348

The Cash Wastage Report highlights how efficiently the business has managed growth.

Revenue has grown by 11 % or 350,000.

Accounts Receivable have increased by 56 % or \$239,727. If the growth in Accounts Receivable was limited to 11 %, the increase would have been \$47,945. The additional increase of \$191,782 is wastage.

COGS has increased less than Revenue. This has resulted in an increase in Gross Margin which has a positive impact on Cash Flow of \$38,889.

Inventory has increased by 14 % or \$125,252. If Inventory growth was limited to 9 % the increase would have been \$85,167. The additional increase in Inventory of \$40,085 is wastage.

The business has reduced Accounts Payable by 6 % or \$26,145. The increase in COGS % of 9 % would have expectations of an increase in Accounts Payable. The effect of the reduction in Accounts Payable has had a negative impact on cash flow of \$66,364.

Overheads have increased less than Revenue. This has resulted in an increase in Profit which has a positive impact on Cash Flow of \$51,668.