

# The Language of Business

Presented by BMO

BMO



# Presenters

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## BMO Zero Barriers to Business

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Since inception of  
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# Introduction

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- A common reason why businesses fail is not that owners aren't passionate about their business, but that they don't understand their business' financials.
- Understanding the basics of the three basic financial statements, and the meaning behind the math, is a skill that can help to lay the foundation for a profitable business
- Today's presentation will discuss:
  - An overview of the three basic financial statements:



- Relevant ratios/financial benchmarks
- Key figures from your business tax returns
- Debt Service Coverage
- Financial tips to ensure the success of your business

# Understanding Your Overall Financial Position



## 1. Personal and Business Credit History

Using credit appropriately helps a lender to expect that in the future by showing creditworthiness and a sense of financial responsibility



## 2. Financial Statements

These are the financial dashboard of your business. They tell you where money is going, where it is coming from, and how much you have to work with



## 3. External Factors

Such as economic and industry conditions are important to consider when evaluating the future strategic goals



# Understanding Key Financial Statements

- **Vigilance** is the key to effective business financial management. Review your balance sheet, profit and loss (income) statement, and cash flow statement monthly, and compare them to the previous reporting period. This information is crucial to help you to:
  - ✓ Project future revenue, cash flow, and expenses
  - ✓ Make major purchase decisions
  - ✓ Anticipate and mitigate risk

## Financial Statements

### Balance Sheet

A snapshot of what a business owns and owes, as well as the amount invested by shareholders

- Current and long-term assets
- Current and long-term liabilities
- Equity

### Income Statement (P&L)

Reports a business' financial performance over a specific accounting period

- Revenues
- Expenses
- Gains/losses
- Net Income
- EBITDA (earning before interest, taxes, depreciation and amortization).

### Cash Flow Statement

Provides data regarding all cash made by the business through its operations and external investment sources

- Operating (transactions from all operational business activities)
- Investing (investment gains and losses)
- Financing (cash used from debt and equity)

# Importance of Keeping Basic Financial Statements

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- To properly manage and grow your business, you need reliable data on the financial health of your business "understanding of the language"
- The best way to understand the financial health of your business is to maintain business financial statements – think of these as your financial dashboard!
  - Complete and accurate financial statements aren't possible without adequate bookkeeping.
  - To enable adequate bookkeeping, ensure you have business accounts established (i.e., business checking, savings, line of credit and/or credit card, etc.).
  - Leverage financial software to help keep track of transactions with these accounts (Quickbooks, Freshbooks, Sage, etc.)
- Keeping an accurate picture of your business' financials through financial statements will help you to:
  - Understand whether your business is making or losing money (how profitable you are).
  - Know your cash flow (sales/revenue, expenses, etc.).
  - Let tax agencies, potential partners/investors, bankers, etc. know how you're doing.
  - Set short-term and long-term business goals.
  - Make other business-related strategic decisions (i.e., staffing changes, pricing adjustments, equipment investments, etc.).

An aerial night view of a city skyline, featuring numerous illuminated skyscrapers and buildings. A large, semi-transparent red circle is overlaid on the left side of the image, containing the text "Financial Statements".

# Financial Statements

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# Balance Sheet

- Provides a snapshot of your practice's finances at a given point of time
- Can be updated at any time throughout the year but more commonly prepared at the end of a reporting period such as a month, quarter or year
- Keeps track of your assets (what you own), liabilities (what you owe), and equity (what you own after subtracting what you owe)
- The layout of a Balance Sheet reflects the basic accounting equation:

$$\text{Assets} = \text{Liabilities} + \text{Owners' Equity}$$

## Assets

- **Current assets** – will be converted into cash within one year (i.e., cash, accounts receivable, inventory, etc.)
- **Long term assets (or fixed assets)** - will not get converted into cash within one fiscal year (i.e., equipment, furniture, buildings, land, long-term investments, etc.)

## Liabilities

- **Current liabilities** - will be paid for within one year (i.e., accounts payable, taxes, short-term debt, etc.)
- **Long term liabilities** – will not be paid off within one year (i.e., long-term loans like a mortgage, deferred income taxes, etc.)

## Equity

- The difference between total assets and total liabilities.
- Can also include items such as investment capital (i.e., common stock), retained earnings, etc.

ASSETS	Previous Period	Current Period
<b>Current Assets</b>		
Cash	\$ -	\$ -
Accounts Receivable	\$ -	\$ -
Inventory	\$ -	\$ -
Prepaid Expenses	\$ -	\$ -
Other	\$ -	\$ -
<b>Total Current Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long term Assets</b>		
Real Estate -- Land	\$ -	\$ -
Real Estate -- Buildings	\$ -	\$ -
Leasehold Improvements	\$ -	\$ -
Equipment	\$ -	\$ -
Furniture and Fixtures	\$ -	\$ -
Vehicles	\$ -	\$ -
Other	\$ -	\$ -
<b>Total Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>
(Less Accumulated Depreciation)	\$ -	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ -	\$ -
Credit Card Debt	\$ -	\$ -
Lines of Credit	\$ -	\$ -
Other Current Liabilities	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long-term Liabilities</b>		
Commercial Loans	\$ -	\$ -
Commercial Mortgages	\$ -	\$ -
Vehicle Loans	\$ -	\$ -
Subordinated/Seller Debt	\$ -	\$ -
Other Non Current Liabilities	\$ -	\$ -
<b>Total Long-term Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Equity</b>		
Investment capital	\$ -	\$ -
Retained Earnings	\$ -	\$ -
Dividends Dispersed/Owners Draw	\$ -	\$ -
<b>Total Equity</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities and Equity</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>

**Remember:**  
Your Total Assets  
should be equal to  
your Total Liabilities  
+ Total Equity



# Profit and Loss Statement

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- Also referred to as a P&L or Income Statement.
- Used to track revenue (i.e., production/sales) and expenses, ultimately to understand whether the practice is profitable.

$$\text{Net Profit (Loss)} = \text{Revenue} - \text{Expenses}$$

- Monitoring your P&L Statement will help you to determine changes and/or improvements that may need to be made moving forward (i.e., pricing changes, supplier changes, etc.), identify customer trends and where sales are going up or down, track progress to business goals, etc.
- Pay close attention to your operating expenses such as rent, utilities, and supplies. A business that experiences a net loss may look to reduce its operating expenses to return to the black.
- Keep in mind that your Profit and Loss Statement represents revenue and expenses over a specified time whereas your balance sheet which shows your financial condition at a point in time.

# Profit & Loss Statement

REVENUES (ORDINARY INCOME)	Previous Period	Current Period
Sales	\$ -	\$ -
Less Cost of Good Solds	\$ -	\$ -
<b>Gross Income</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OPERATING EXPENSES</b>		
Owner Salary	\$ -	\$ -
Staff Salaries	\$ -	\$ -
Payroll	\$ -	\$ -
Payroll taxes	\$ -	\$ -
Benefits	\$ -	\$ -
Rent	\$ -	\$ -
Utilities	\$ -	\$ -
Lease (non-real estate)	\$ -	\$ -
Insurance	\$ -	\$ -
Administrative	\$ -	\$ -
Equipment	\$ -	\$ -
Marketing/Advertising	\$ -	\$ -
Financing Costs	\$ -	\$ -
Other Operating	\$ -	\$ -
Depreciation	\$ -	\$ -
Amortization	\$ -	\$ -
Other Current Liabilities	\$ -	\$ -
<b>Total Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Income</b>	<b>\$ -</b>	<b>\$ -</b>
Interest Income	\$ -	\$ -
Other Non-Operating Income	\$ -	\$ -
Less Other Expenses	\$ -	\$ -
<b>Total Other Income</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Profit (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>

**Cash vs. Non-Cash Expenses:**  
 Cash expenses include payments made in the form of physical cash, check, electronic funds transfer (EFT), and debit card (I.e., rent, utilities, supplies/inventory, etc. Noncash expenses are those expenses that are recorded in the income statement but do not involve an actual cash transaction (i.e., depreciation, amortization, etc.). While they may not impact the net cash flow of the business, these expenses impact the bottom-line of the income statement and result in lower reported earnings.

A **positive figure** at the bottom of the P&L means your business is profitable.  
 A **negative figure** at the bottom of the P&L means your business is running at a loss, which signifies that the business is not earning sufficient revenue to cover its expenses.

# Cash Flow Statement

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- Cash flow is the inflow and outflow of cash and cash equivalents (i.e., cash held bank deposits, short-term investments, cash-convertible assets).
- Used to report the cash generated and spent during a specific period of time.
- Shows you your liquidity (how much operating cash flow you have) and can also be used to help you create cash flow projections to help with business planning.
- Acts as a bridge between the Balance Sheet and the Profit and Loss Statement by showing how money moved in and out of the practice.
- The layout of a Cash Flow Statement reflects three primary categories:

## Operating Activities

- Cash flow from the principal revenue-generating activities of the business (i.e., construction, income, materials/supplies purchases, etc.)
- Cash flow from any other activities that are not investing or financing (i.e., from current assets and current liabilities)

## Investing Activities

- Cash flow from the acquisition and disposal of long-term assets (i.e., purchasing/selling equipment, real estate, etc.) and other investments not included in cash equivalents

## Financing Activities

- Cash flows that result in changes in the size and composition of the contributed equity capital or borrowings of the practice (i.e., borrowing/paying loans, bonds, stock, dividends)

# Cash Flow Statement

CASH FLOW FROM OPERATIONS	Previous Period	Current Period
Net Income (Profit)	\$ -	\$ -
Additions		
Depreciation and Amortization	\$ -	\$ -
Increase in Accounts Payable	\$ -	\$ -
Decrease in Prepaid Expenses	\$ -	\$ -
Other	\$ -	\$ -
Subtractions		
Increase in Inventory	\$ -	\$ -
Increase in Accounts Receivable	\$ -	\$ -
Other	\$ -	\$ -
<b>Net Cash from Operations</b>	<b>\$ -</b>	<b>\$ -</b>

CASH FLOW FROM INVESTING	Previous Period	Current Period
Purchase of Long-term Assets	\$ -	\$ -
Proceeds from Sale of Long-term Assets	\$ -	\$ -
Other	\$ -	\$ -
<b>Net Cash from Investing</b>	<b>\$ -</b>	<b>\$ -</b>

CASH FLOW FROM FINANCING	Previous Period	Current Period
Issuance of Debt	\$ -	\$ -
Issuance of Equity	\$ -	\$ -
Repayment of Debt	\$ -	\$ -
Repayment of Equity	\$ -	\$ -
<b>Net Cash from Financing</b>	<b>\$ -</b>	<b>\$ -</b>

Net Increase/Decrease in Cash	\$ -	\$ -
Opening Cash Balance	\$ -	\$ -
<b>Closing Cash Balance</b>	<b>\$ -</b>	<b>\$ -</b>

## Negative Cash Flow

When your cash flow statement shows a negative number at the bottom, it means you lost cash during the period. This can be normal; some months you may spend more cash in order to improve future cash flow such as investing in new equipment.

## Positive Cash Flow

When you have a positive number at the bottom of your statement, it means you made more cash during the period. Positive cash flow can be skewed if it came from taking on a large loan to keep a failing business afloat!

# Paying Attention To Key Financial Ratios

When you are reviewing your financial statements, consider taking time to calculate some of the key financial ratios to better understand the health and strength of your business.

There are many different financial ratios a business may use. Here are four we suggest starting with:

- Debt Service Coverage (aka Cash Flow to Debt)
- Net Profit Margin
- Gross Profit Margin
- Current Ratio (aka Working Capital ratio)





# Understanding Financial Ratio's

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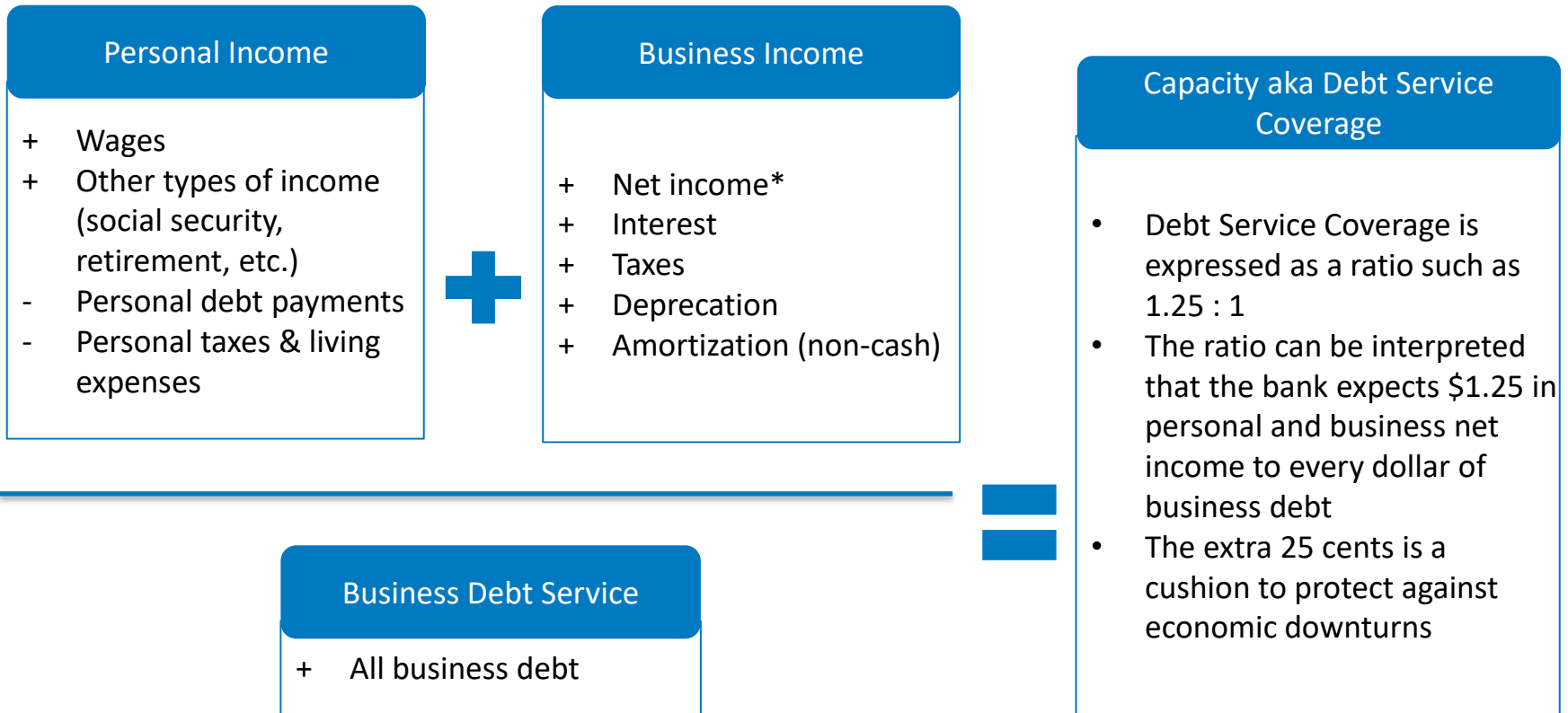




# Understand your capacity to pay debts with the Debt Service Coverage Ratio

Banks determine the loan amount you qualify for by combining your personal and business income to ensure you have the capacity to make loan payments from the total income. Business income is determined using tax returns or accountant prepared financial statements which reflect the ability of a company to generate profits.

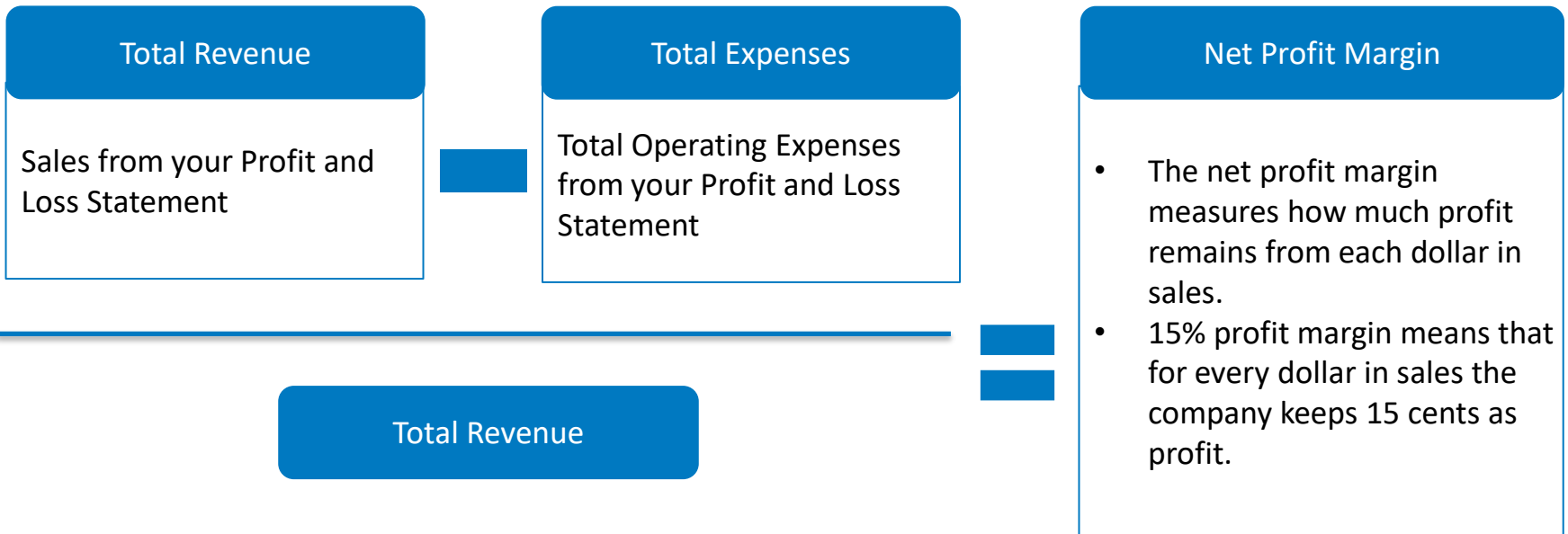
- Income is determined using tax returns or professionally prepared financial statements.



\*Expenses have been deducted to determine net income

# Assess your profitability with the Net Profit Margin Ratio

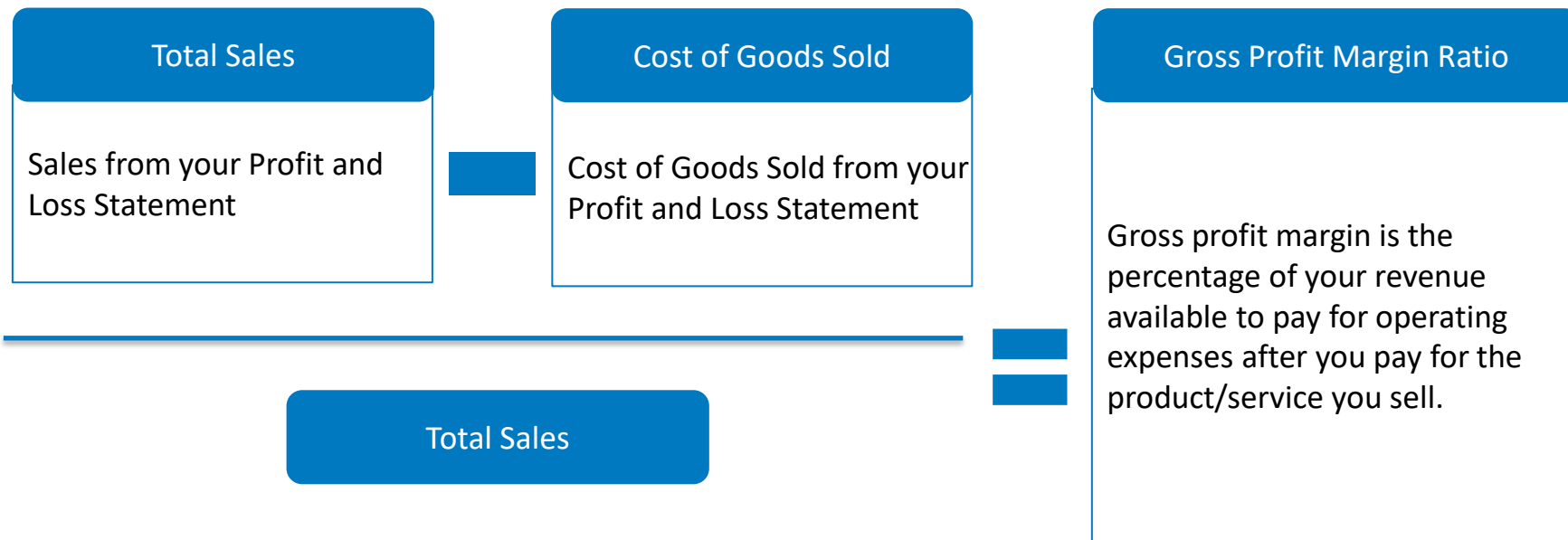
Net profit margin is the percentage of your revenue remaining after paying all operating expenses, interest and taxes. It shows how successful a business is at managing costs and converting revenue into profits.





# Assess your ability to pay expenses with the Gross Profit Margin Ratio

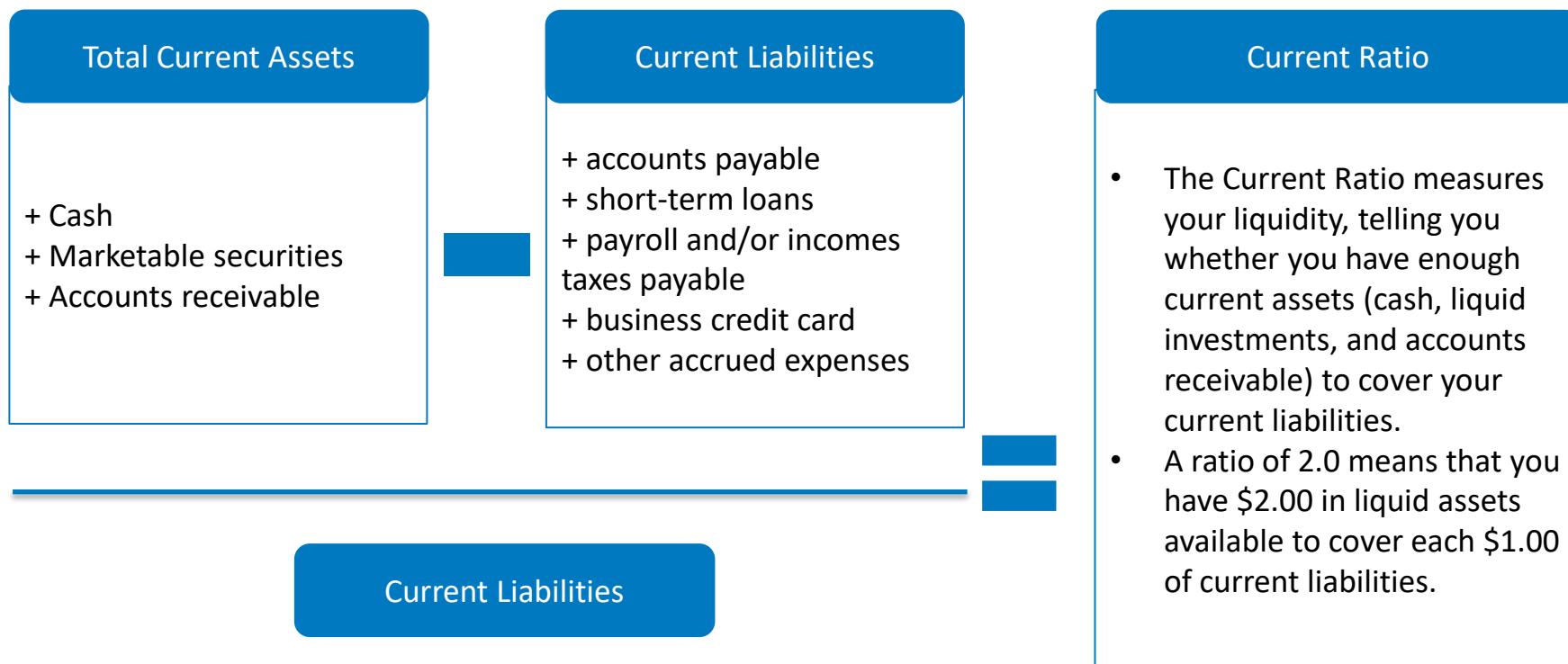
Gross profit margin shows the amount of profit made before deducting selling, general, and administrative costs. You can measure gross margin on a product/service level or in total for your business.





# Understand your capacity to meet short-term obligations with the Current Ratio

The current ratio, or quick ratio, is useful for businesses with current liabilities.



# Key figures from your business tax returns

	BUSINESS TAX FORM				
	<u>1120</u>	<u>1120-S</u>	<u>1065</u>	<u>Schedule C (Form 1040)</u>	<u>Schedule F (Form 1040)</u>
	Corporation (C-Corp)	Subchapter S or Small Business Corporation (S-Corp)	Partnership	Sole Proprietor or Single Member LLC (non-farming)	Sole Proprietor or Single Member LLC (farming)
<b>Net Income</b> (Taxable income before net operating loss deduction and special deductions / Ordinary business income (loss) / Net Profit (or loss))	28	21	22	31	34
<b>Taxes</b>	TBD	TBD	TBD	TBD	TBD
<b>Depreciation</b> (Depreciation expense)	20	14	16c	13	14
<b>Interest</b> (Interest expense)	18	13	15	16a-b	21a-b
<b>Amortization</b>	TBD	TBD	TBD	TBD	TBD

- EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is a metric used to evaluate a business' operating performance.

# Business financials – best practices

Help improve your ability to secure a business loan by following these best practices:

## Maintain separate personal and business banking accounts

- Ensure accurate cash flow management
- Build your business credit score
- Aid in tax reporting and assessment of business performance
- Establish professionalism and business credibility

## Review your business financials regularly

- Understand revenues, expenses, and profitability
- Calculate your working capital
- Identify and monitor trends in your financials
- Leverage the financials to inform business decisions (i.e., product/service pricing, supplier changes, etc.)

## Create a business plan and update it often

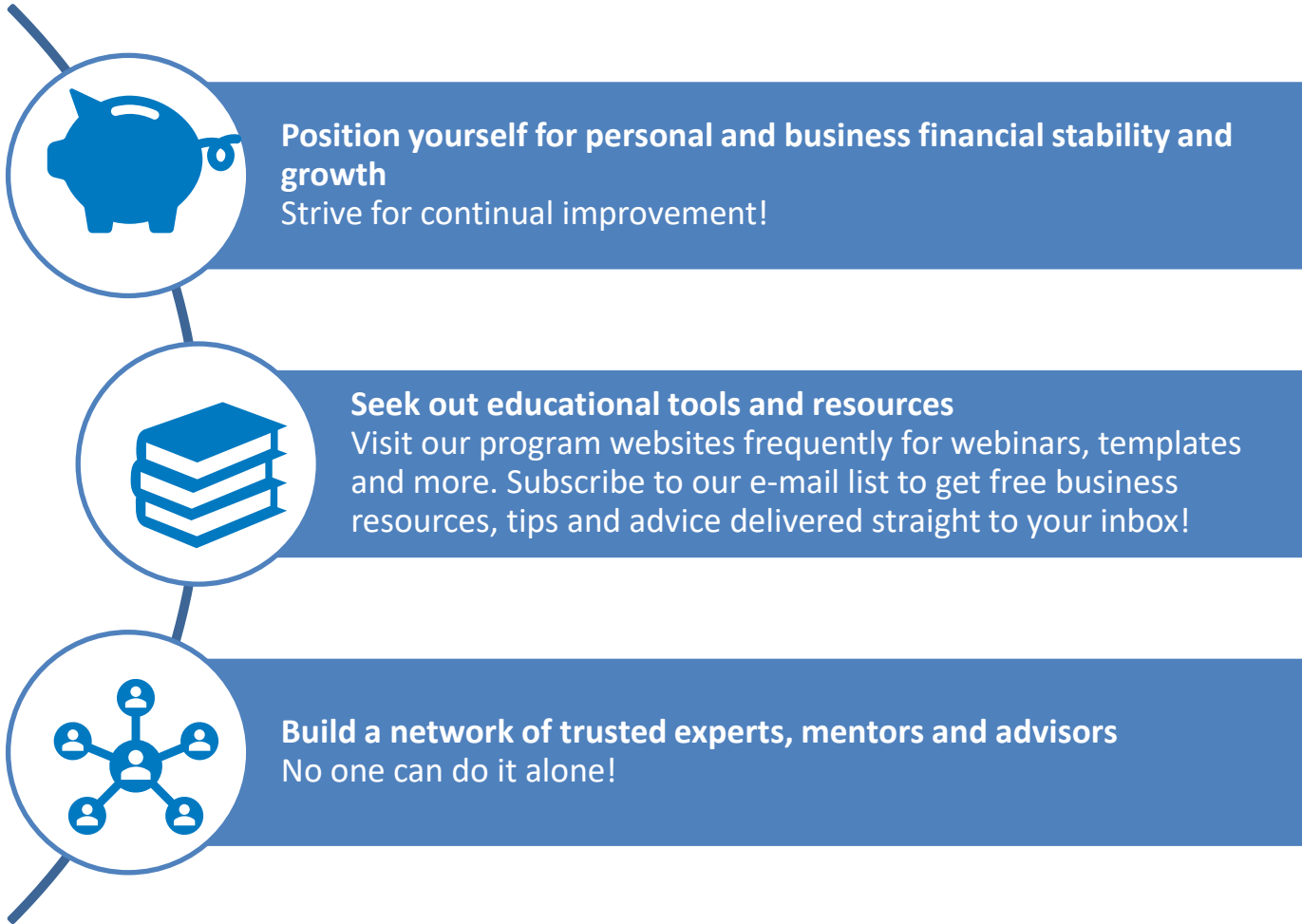
- Define your business strategy and goals and adjust them as your business grows
- Consider consumer demand and competitive environment
- Share with partners, investors, and lenders
- Assess and monitor risk
- Use your plan to make better business decisions

## Enlist professional help

- Consult an attorney to choose the right legal structure for your business
- Leverage an accountant and banker to guide your financial health and progress
- Seek help from other service providers such as marketing consultants to help your business thrive

# Top 3 Takeaways

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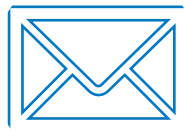


# Let's Connect!



BMO is proudly Growing the Good in Business and Life with **comprehensive business programs specifically designed for Women, Black, Latinx, and Native-owned business owners** available across our footprint. Our goal is to equip these business owners with capital, educational resources and partnerships to help make their businesses more resilient and scalable.

We're proud to be fueling growth and expanding possibilities for these business owners with our programs for **Women, Black, Latinx and Native-owned Businesses**. The programs are based on three critical pillars: Access to Capital, Access to Education, and Access to Partnerships



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Questions?



Thank You For  
Attending!

# Cash Flow Forecast Tool



## Cash flow forecast

Receipts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales	\$ 10,000	\$ 7,000	\$ 6,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,800
Other revenue	\$ 1,500	\$ 900	\$ 700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,100
Other	\$ 500	\$ 300	\$ 300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,100
<b>(A) Total receipts</b>	<b>\$ 12,000</b>	<b>\$ 8,200</b>	<b>\$ 7,800</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 28,000</b>
Less payments													
Accounting	\$ 600	\$ 600	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,800
Bank fees	\$ 200	\$ 150	\$ 130	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 480
Communication and internet	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Marketing	\$ 200	\$ 150	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
Materials and stock	\$ 3,000	\$ 2,000	\$ 1,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,700
Overheads (Rent, power, etc)	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,400
Repayment of loans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Staff wages and salaries	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>(B) Total payments</b>	<b>\$ 8,800</b>	<b>\$ 7,700</b>	<b>\$ 7,380</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,880</b>
<b>(C) Net cash flow (A-B)</b>	<b>\$ 3,200</b>	<b>\$ 500</b>	<b>\$ 420</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,120</b>
<b>(D) Opening bank balance</b>	<b>\$ 5,000</b>	<b>\$ 8,200</b>	<b>\$ 8,700</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	
<b>Closing bank balance</b>	<b>\$ 8,200</b>	<b>\$ 8,700</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>\$ 9,120</b>	<b>Clear form</b>

**\*\*Please note these numbers are for illustrative purposes only**



# Accounts Receivable Aging Report

- Lending on current A/R's is generally advanced at a higher rate ex. 80%
- As AR age the advance rate will decrease.
- Generally, A/R's >90 days no advance rate applied.

Name of Customers	Total (\$)	Not Due yet (\$)	Overdue (\$)			
			1-30 Days	31-60 Days	61-90 Days	> 90 Days
Maersk Builders Inc	1033549	-	1033549	-	-	-
Shipbuilding Inc	571800	-	-	-	-	571800
Denmark Shipbuilding Inc	12749092	903639	6468719	5376734	-	-
Maritime Enterprises Management	633927	-	-	633927	-	-
John Shipyard Inc	9592508	-	1096231	699539	3525846	4270892
The Shipping Corp. Of Arab Inc	29753604	178005	1003818	12397108	16174672	-
Dredging Corporation of Japan	530067	344589	185478		-	-
Global United Shipping Inc	2899224	131541	2683810	83873		-
Garden Silk Mills Inc	196510	-	191796	4714		-
Sanmar Shipping Limited	267207	267207	-		-	-
Transmed Shipping Ltd.	1820317	-	-	1820317	-	-
Synergy Marine Pte. Limited	16792919	5308105	9076192	1608603	681715	118304
S.K. Traders	119010971	23010235	34544602	42374354	15092259	3989520
Lindenberg Anlagen GmbH	22548879	211957	7241877	4909004	10153698	32342
Liebherr Inc	13258824	-	-	-	13258824	-
Yeoman Marine Services Private Inc	2312845	161492		1616409	534944	-
Colombo Dockyard Inc	155131			-		155131
Mazagon Dock Shipbuilders Limited	3658965	1629639		2005532	23794	-
Officer Incharge, Fleet Maintenance	6776931		126766	4997162	1476585	176418
Kedarnath Packing Inc	1141435	353047	-	566960	200401	21028
Sterling and Wilson Solutions Inc	114831321	114815268	-	-	-	16053
S.K. Traders	41894	-	39187	2707		
Sterling and Wilson Powergen	322690415	322690415	-			
<b>Total</b>	<b>683268335</b>	<b>470005140</b>	<b>63692024</b>	<b>79096945</b>	<b>61122738</b>	<b>9351488</b>
Provision % as per Group Policy		1.00%	2.50%	2.50%	4.50%	5.00%
<b>Amount of Provision</b>		<b>\$4,700,051</b>	<b>\$1,592,301</b>	<b>\$1,977,424</b>	<b>\$2,750,523</b>	<b>\$467,574</b>
Required Allowance for Doubtful debts as on 30/09/2019						<b>\$11,487,873</b>

# Account Payable Aging Report

- Tells how long an invoice has been due for payment.
- Improves billing by laying out when payments are due.
- Shows balances
- Determine if there is a saving by paying early or protect cash flow by paying later.

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### Accounts Payable Aging Summary Report

As of 4/30/2022

Vendor	Current	1-30	31-60	61-90	Over 90	Total
Artificer	355.72	250.30	5,235.25	0.00	0.00	5,841.27
Buildhead	0.00	15,232.52	0.00	0.00	0.00	15,232.52
Cargo.ly	1,452.30	0.00	0.00	0.00	0.00	1,452.30
Depotia	0.00	2,852.50	325.20	742.30	0.00	3,920.00
Docket	0.00	0.00	0.00	235.25	0.00	235.25
Epidesk	0.00	0.00	0.00	148.20	89.25	237.45
Imperial Station	525.30	0.00	0.00	0.00	0.00	525.30
Laypacker	0.00	0.00	0.00	0.00	251.00	251.00
Microcomp	0.00	0.00	354.25	0.00	0.00	354.25
Mixreal	0.00	625.30	0.00	250.25	0.00	875.55
Palacore	0.00	0.00	289.50	0.00	0.00	289.50
Postal Page	254.30	0.00	0.00	0.00	0.00	254.30
Softwareplex	0.00	0.00	235.20	0.00	156.58	391.78
Stationaire	0.00	0.00	0.00	321.52	0.00	321.52
Transflow	0.00	0.00	0.00	357.89	0.00	357.89
	<b>2,587.62</b>	<b>18,960.62</b>	<b>6,439.40</b>	<b>2,055.41</b>	<b>496.83</b>	<b>30,539.88</b>

# Useful Banking Language

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**Amortization** The process of reducing debt through regular installment payments of principal and interest that will result in the payoff of a loan at its maturity.

**Annual Percentage Rate (APR)** The cost of credit on a yearly basis, expressed as a percentage.

**Automated Clearing House (ACH)** A computerized facility used by member depository institutions to electronically combine, sort, and distribute inter-bank credits and debits. ACHs process electronic transfers of government securities and provided customer services, such as direct deposit of customers' salaries and government benefit payments (i.e., social security, welfare, and veterans' entitlements), and preauthorized transfers. See related questions about [Electronic Transactions](#).

**Collateral** Assets that are offered to secure a loan or other credit. For example, if you get a real estate mortgage, the bank's collateral is typically your house. Collateral becomes subject to seizure on default.

**Credit Application** A form to be completed by an applicant for a credit account, giving sufficient details (residence, employment, income, and existing debt) to allow the seller to establish the applicant's creditworthiness. Sometimes, an application fee is charged to cover the cost of loan processing.

**Credit Report** A detailed report of an individual's credit history prepared by a credit bureau and used by a lender in determining a loan applicant's creditworthiness. See related questions about [Credit Reports](#).

**Credit Score** A number, roughly between 300 and 800, that measures an individual's credit worthiness. The most well-known type of credit score is the FICO® score. This score represents the answer from a mathematical formula that assigns numerical values to various pieces of information in your credit report.

Banks use a credit score to help determine whether you qualify for a particular credit card, loan, or service. See related questions about [Credit Scores](#).

**Debt-to-Income Ratio (DTI)** The percentage of a consumer's monthly gross income that goes toward paying debts. Generally, the higher the ratio, the higher the perceived risk. Loans with higher risk are generally priced at a higher interest rate. See related question about [Debt-to-Income Ratio](#).

**Finance Charge** The total cost of credit a customer must pay on a consumer loan, including interest. The Truth in Lending Act requires disclosure of the finance charge.

**Fixed Rate Loan** The interest rate and the payment remain the same over the life of the loan. The consumer makes equal monthly payments of principal and interest until the debt is paid in full.

**Line of Credit** A pre-approved loan authorization with a specific borrowing limit based on creditworthiness. A line of credit allows borrowers to obtain a number of loans without re-applying each time as long as the total of borrowed funds does not exceed the credit limit. See related questions about [Home Equity Lines of Credit](#).

**Loan-to-Value Ratio (LTV)** The ratio of the loan principal (amount borrowed) to the appraised value (selling price). For example, on a \$100,000 home, with a mortgage loan principal of \$80,000, the loan-to-value ratio is 80 percent. The LTV will affect programs available to the borrower; generally, the lower the LTV, the more favorable the program terms offered by lenders.

**Maturity** The date on which the principal balance of a loan, bond, or other financial instrument becomes due and payable.

**Revolving Credit** A credit agreement (typically a credit card) that allows a customer to borrow against a preapproved credit line when purchasing goods and services. The borrower is only billed for the amount that is borrowed plus any interest due. (Also called a charge account or open-end credit.)