In Good Order

MONTHLY MANAGEMENT REPORT

FICTIONAL PUBLIC EXAMPLE

Month-end management pack

A small trading business

PERIOD	August 2026
STATUS	Draft 1 | One invoice estimate remains

ALL FIGURES ARE INVENTED

This pack demonstrates a monthly reporting format. It is not a client result, statutory accounts, a forecast or an assurance report. The assumptions, open questions and figures belong only to this fictional example.

Executive overview

Fictional monthly results, cash position and decisions to follow up.

August 2026 sales met budget. Profit improved from the prior month, while cash fell as more value remained in stock and customer balances. The draft includes an estimated platform fee awaiting its invoice.

SALES
£50,000
+£4,000 vs July

GROSS PROFIT
£20,000
40% gross margin

PROFIT BEFORE TAX
£6,000
£7,000 budget

CLOSING BANK
£17,000
-£3,000 during the month

CLOSING STOCK
£27,000
+£9,000 during the month

EQUITY
£44,000
Assets less liabilities

PERFORMANCE AND CASH

- Sales were £4,000 above July. Profit rose by £500.
- Profit was £1,000 below budget. The arithmetic points to higher goods cost; the cause still needs checking.
- Stock increased by £9,000 and customer balances by £3,000. Higher unpaid costs partly offset the cash effect.
- Within the closing balances, £4,000 of customer balances is overdue and £2,000 of supplier balances needs a confirmed payment date.

WHAT THE NEXT REVIEW NEEDS

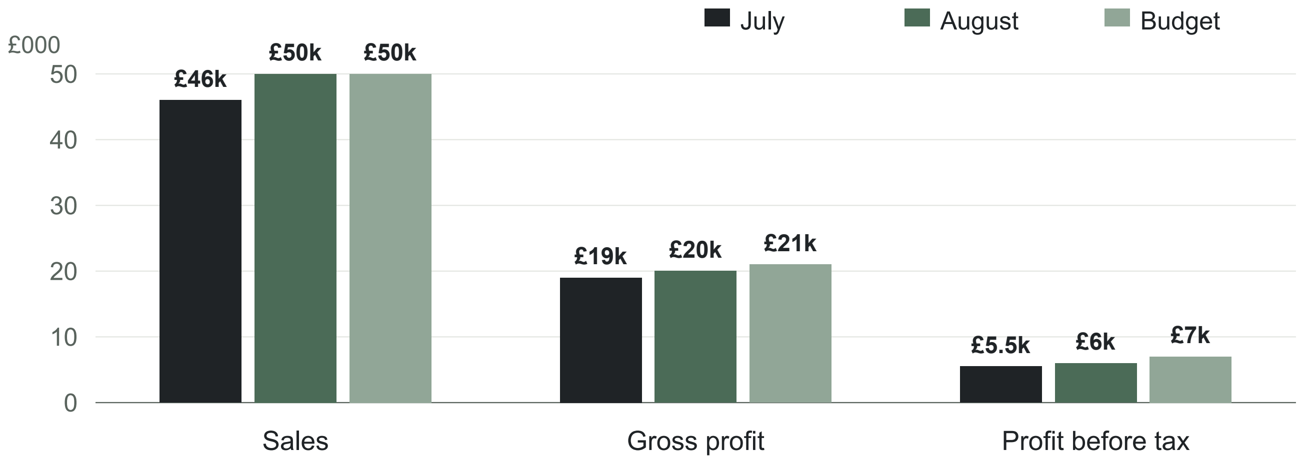
Check the missing £600 platform invoice, the cause of the gross-margin shortfall, customer collection dates and stock ageing. Bank cash is not the same as cash available for an additional purchase; a separate cash plan is needed.

Trading performance

Compare the month with the prior period and the agreed budget.

Monthly performance

Fictional example | July 2026, August 2026 and August budget | GBP



Measure	July actual	August actual	August budget
Sales	£46,000	£50,000	£50,000
Cost of goods sold	£27,000	£30,000	£29,000
Gross profit	**£19,000**	**£20,000**	**£21,000**
Fees and delivery costs	£5,500	£6,000	£6,000
Staff costs	£6,000	£6,000	£6,000
Other operating costs	£2,000	£2,000	£2,000
Profit before tax	**£5,500**	**£6,000**	**£7,000**

WORKED EXAMPLE 1. PROFIT FOR THE MONTH

Costs are deducted from sales. The estimated £600 fee is already included once.

$$£50{,}000 - £30{,}000 - £6{,}000 - £6{,}000 - £2{,}000 = £6{,}000$$

Profit before tax is £6,000, against a £7,000 budget.

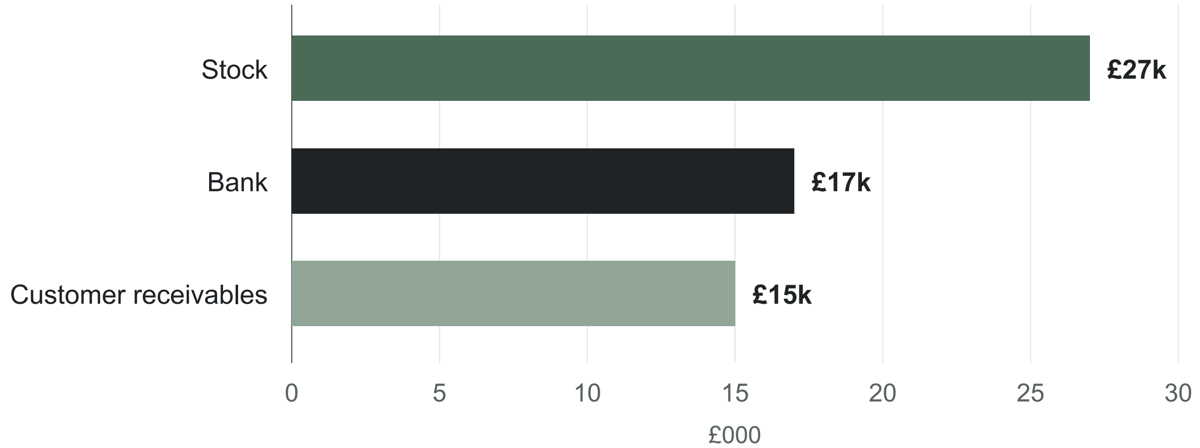
Gross margin is 40%, compared with a 42% budget. Review product mix, purchase costs, stock adjustments and returns before deciding what caused the difference.

Financial position

The closing balances and the movement from the previous month.

Closing assets

Fictional example | End of August 2026 | GBP



Balance	Opening: 31 July	Closing: 31 August
Bank	£20,000	£17,000
Customer receivables	£12,000	£15,000
Stock	£18,000	£27,000
Total assets	**£50,000**	**£59,000**
Supplier payables	£10,000	£12,000
Accrued costs	£2,000	£3,000
Equity	£38,000	£44,000
Total liabilities and equity	**£50,000**	**£59,000**

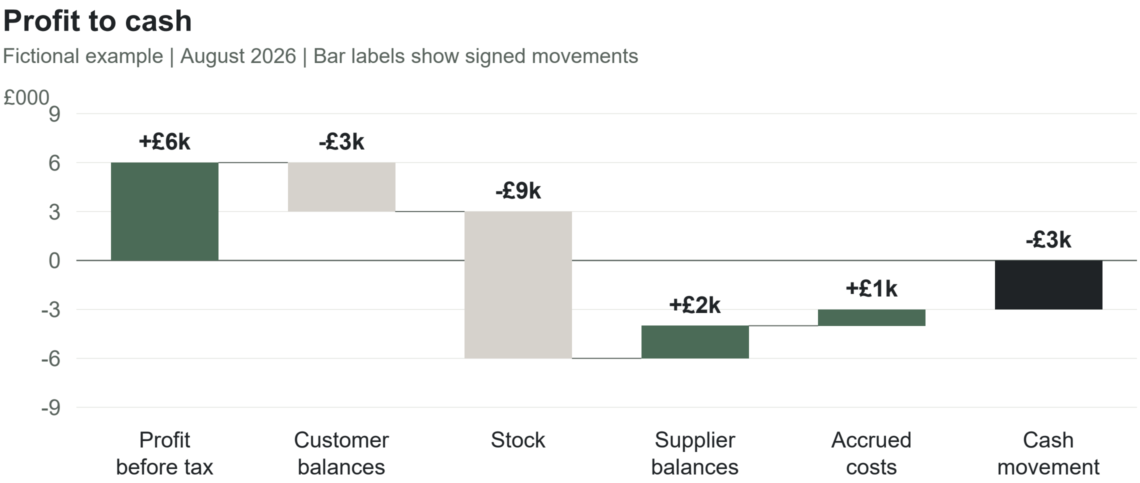
HOW THE BALANCE SHEET CONNECTS

Equity rises from £38,000 to £44,000, matching the £6,000 profit. This example has no capital contributions, distributions or other balance-sheet movements. Stock is assumed to be held at recoverable cost.

Customer receivables include £4,000 overdue. Supplier payables include £2,000 for which the payment date still needs confirmation. See the action list on page 6.

Profit, stock and cash

Explain why the bank balance fell despite a profit for the month.



Movement	Effect on cash
Profit before tax	+£6,000
Increase in customer receivables	-£3,000
Increase in stock	-£9,000
Increase in supplier payables	+£2,000
Increase in accrued costs	+£1,000
Net movement in cash	**-£3,000**
Opening bank balance	£20,000
Closing bank balance	**£17,000**

WORKED EXAMPLE 2. CLOSING STOCK

Opening stock + purchases - goods sold; no other stock adjustments.

$$£18,000 + £39,000 - £30,000 = £27,000$$

The £9,000 stock increase has absorbed cash.

WORKED EXAMPLE 3. MOVEMENT IN CASH

Only the working-capital movements shown above are included.

$$£6,000 - £3,000 - £9,000 + £2,000 + £1,000 = -£3,000$$

Opening bank £20,000 less £3,000 leaves £17,000.

Actions and finalisation

A draft report should make each open question and next step visible.

The responsibilities below are fictional roles in this example. The report does not authorise payments or spending.

Item	Detail	Owner	Action
LATE PLATFORM INVOICE	£600 estimate already sits within fees and delivery costs and closing accruals.	FINANCE	Obtain the invoice. Compare it with the estimate and any settlement posting. Clear or reverse the estimate through the agreed process and record any difference.
OVERDUE CUSTOMERS	£4,000 of the £15,000 customer balance is overdue. Receipt dates are unconfirmed.	OWNER	Check disputes and obtain payment dates before including the receipts in a spending plan.
STOCK ON HAND	Stock increased by £9,000. The example assumes recorded cost is recoverable.	STOCK LEAD	Review ageing, quantities and demand before placing another order. Refer any valuation concern for review.
SUPPLIER TIMING	£2,000 within the £12,000 supplier balance needs an agreed payment date.	OWNER	Confirm terms and payment authority. Put the commitment into the cash plan; an entry in payables is not evidence of payment.

FINALISE THE PACK

1. Keep source schedules, the input cut-off and the remaining estimates together.
2. Check the late invoice against both the estimate and the existing ledger entries.
3. Assess any difference and record the reason for changing a figure.
4. Issue a clearly identified replacement version and retain the earlier draft.
5. Carry unresolved actions forward with their owner and original context.

Basis and preparation

Read these limits alongside every chart and table in the example.

- All figures are invented for August 2026, with July 2026 as the prior month. There are no underlying client records for this example.
- The figures use accrual accounting. Stock is assumed to be held at recoverable cost, with no write-downs, losses or other stock adjustments.
- VAT, tax, borrowing, fixed assets, depreciation, owner transactions and foreign currency are excluded throughout. No other balance-sheet movements are modelled.
- The fictional £600 fee estimate uses the period's transaction report and agreed fee schedule. It is already included in costs and accrued liabilities, awaiting the invoice check. No input-VAT claim is modelled.
- The pack is not statutory accounts, a forecast, audit assurance or a fixed specification for an engagement. A real pack needs the balances and adjustments that apply to that business.

RECORDS A REAL PACK WOULD NEED

This is a preparation checklist, not a claim that these records exist for the fictional pack.

Record	Purpose
Ledger and agreed budget	P&L, comparatives and balance-sheet support
Bank and payment statements	Closing cash, transfers and reconciliation
Sales and customer records	Revenue, receivables and collection status
Supplier and platform documents	Costs, payables, estimates and duplicates
Stock records and count evidence	Quantities, cost, ageing and recoverability
Close and adjustment schedules	Review decisions, changes and open items

ACCOUNTING SOURCES AND NEXT STEPS

FRC: FRS 102, September 2024, paragraph 2.48: accrual basis.
FRC: FRS 102, paragraphs 13.19-13.20: inventory recoverability and the expense recognised when goods are sold.
Sources checked 21 September 2026. Confirm the accounting framework and requirements applicable to the actual business and period.

Read the report example online | Monthly management accounts support