

Management Report

Eliot's Adult Nut Butters

For the period ended December 31, 2017

Prepared on

April 18, 2018

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Profit and Loss

January - December 2017

| | Total |
|---|-------------------|
| INCOME | |
| Discounts Given | -11,942.23 |
| Sales of Product Income | 4,238.10 |
| Sales Revenue | 247,438.07 |
| Square Income | 13,171.00 |
| Total Income | 252,904.94 |
| COST OF GOODS SOLD | |
| Cost of Goods Sold | |
| COGS - Postage/Mailing | 16,503.49 |
| Third Party Delivery | 531.88 |
| Total COGS - Postage/Mailing | 17,035.37 |
| COGS - Shipping Supplies | 4,869.19 |
| Merchant Service Fees | 923.43 |
| PayPal Fees | 272.62 |
| Square Fees | 565.35 |
| Total Merchant Service Fees | 1,761.40 |
| Total Cost of Goods Sold | 23,665.96 |
| Purchases | |
| COGS - Food Purchases | 92,256.41 |
| COGS - Packaging Costs | 33,918.54 |
| COGS - Vendor Discounts | -207.09 |
| Total Purchases | 125,967.86 |
| Total Cost of Goods Sold | 149,633.82 |
| GROSS PROFIT | 103,271.12 |
| EXPENSES | |
| Advertising/Promotion | 25.00 |
| Advertising & Marketing | 5,804.81 |
| Promotional Supplies | 764.36 |
| Social Media Storage | 42.36 |
| Trade Shows & Sales Events | |
| Supplies for Events | 803.19 |
| Trade Show | 11,661.94 |
| Total Trade Shows & Sales Events | 12,465.13 |
| Total Advertising/Promotion | 19,101.66 |
| Amazon charges | |
| Co op Deductions | 1,871.85 |
| Damage Allownace | 178.26 |
| Dunnage not compliant | 25.00 |
| Fulfillment/Distributor Shipping Cost | 1,091.54 |
| Late PO acknowledgement | 1.46 |
| Misc Charge | 102.83 |
| On-Time Non-Compliance | 39.14 |

| | Total |
|--|------------------|
| Overweight Carton | 100.00 |
| Shortage Claim | -636.39 |
| Total Amazon charges | 2,773.69 |
| Automobile Expenses | 0.00 |
| Mileage reimbursement | 3,701.13 |
| Total Automobile Expenses | 3,701.13 |
| Bank Charges Exp | 460.58 |
| Credit Card Late Fee | 2,849.24 |
| Total Bank Charges Exp | 3,309.82 |
| Charitable Contributions | 60.00 |
| Deprec and Amort Expense | 279.00 |
| Dues & Subscriptions | 465.00 |
| Insurance Expense | 3,888.90 |
| Legal & Professional Fees Exp | |
| Attorney/Law Fee | 1,838.14 |
| Bookkeeping & Accountancy Fee | 3,875.66 |
| Consultancy | 224.19 |
| Fundbox Fees | 1,725.05 |
| Payroll Fees Exp | 888.00 |
| Total Legal & Professional Fees Exp | 8,551.04 |
| Meals and Entertainment | 2,023.21 |
| Meeting Meal | 90.19 |
| Travel Meals | 1,592.60 |
| Total Meals and Entertainment | 3,706.00 |
| Office Expenses | 131.49 |
| Computer Expense | 1,900.14 |
| Office Supplies | 1,168.94 |
| Software/Web | 2,631.82 |
| Total Office Expenses | 5,832.39 |
| Payroll Expenses | |
| Gross Wages Exp | 58,539.55 |
| Payroll Taxes Exp | 5,929.87 |
| Total Payroll Expenses | 64,469.42 |
| Rent or Lease Exp | 15,516.00 |
| Repair & Maintenance | 121.61 |
| Research & Product Development | 296.83 |
| Taxes and Licenses | |
| Licenses/Tax Exp | 650.57 |
| Registration | 894.76 |
| Total Licenses/Tax Exp | 1,545.33 |
| Total Taxes and Licenses | 1,545.33 |
| Travelling | 13.95 |
| Accommodation | 814.09 |
| Parking Expense | 405.53 |

| | Total |
|-------------------------------|----------------------|
| Travel Expense | 9,434.34 |
| Total Travelling | 10,667.91 |
| Uncategorized Expense | 66.48 |
| Total Expenses | 144,352.21 |
| NET OPERATING INCOME | -41,081.09 |
| OTHER INCOME | |
| Interest Earned | 17.02 |
| Total Other Income | 17.02 |
| OTHER EXPENSES | |
| Interest Expense | 7,337.74 |
| Finance Charges | 1,827.22 |
| Total Interest Expense | 9,164.96 |
| Miscellaneous | 69.90 |
| Total Other Expenses | 9,234.86 |
| NET OTHER INCOME | -9,217.84 |
| NET INCOME | \$ -50,298.93 |

Balance Sheet

As of December 31, 2017

| | Total |
|-----------------------------------|--------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| Business Checking | 6,131.58 |
| Capital One Checking 5905 | 2,669.91 |
| Capital One Savings 5914 | 40,016.88 |
| Petty Cash | 371.75 |
| Total Bank Accounts | 49,190.12 |
| Accounts Receivable | |
| Accounts Receivable (A/R) | 18,640.71 |
| Total Accounts Receivable | 18,640.71 |
| Other Current Assets | |
| Inventory Asset | 19,669.60 |
| Total Other Current Assets | 19,669.60 |
| Total Current Assets | 87,500.43 |
| Fixed Assets | |
| Accum Deprec and Amort | -5,507.00 |
| Equipment | 5,872.54 |
| Loan Fees | 2,546.58 |
| Total Fixed Assets | 2,912.12 |
| TOTAL ASSETS | \$90,412.55 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Credit Cards | |
| AA CitiBusiness Credit Card | 12,085.60 |
| AmEx Green Card | 2,876.35 |
| AmEx Plum Card | 10,496.24 |
| Capital One Card | 31.77 |
| PayPal Line of Credit | 6,053.79 |
| Total Credit Cards | 31,543.75 |
| Other Current Liabilities | |
| Fundbox Invoice Advances | 403.20 |
| Loan Payable | 0.00 |
| Loan Payable - Swift | 17,602.00 |
| Personal Loan | 51,488.92 |
| Square (working Capital) | 738.45 |
| Total Loan Payable | 69,829.37 |
| Payroll Liabilities | 0.00 |
| OR Employment Taxes | 437.07 |
| Total Payroll Liabilities | 437.07 |

| | Total |
|--|--------------------|
| WEFUNDER (crowdfunding) | 84,886.00 |
| Total Other Current Liabilities | 155,555.64 |
| Total Current Liabilities | 187,099.39 |
| Total Liabilities | 187,099.39 |
| Equity | |
| Owner Capital | -45,064.32 |
| Owner Contribution | 3,159.88 |
| Owner Draw | -4,483.47 |
| Net Income | -50,298.93 |
| Total Equity | -96,686.84 |
| TOTAL LIABILITIES AND EQUITY | \$90,412.55 |