**Annual Report Week 2**

**Day 6: Management Discussion and Analysis.**

Management discussion and analysis is an unaudited section of the annual report.

Management discusses the company's financial performance over the past year and its current financial position.

Provide an insight into the company's future prospects in light of its strategy.

It should disclose its basis for critical accounting estimates.

[Written Management Discussion and Analysis](MDA.docx)

[PowerPoint on Management Discussion and Analysis](MDA.pptx)

Certified Public Accountant Opinion Letter.

This part of the annual report contains a letter written by an independent accountant.

The letter could come from a CPA or a business partner well versed in accounting.

The letter should contain their opinion on the company's financials.

Do your books conform to generally accepted accounting principles?

If the accountant says that your accounting system is subject to interpretation, this is not a good thing.

The accounting system must be a double-entry system. This means that for every account that is debited another is credited.

[Written CPA Letter](CPA.docx)

[CPA Letter PowerPoint](CPA.pptx)

**Day 7: Financial Statements**

Include sales figures for each month

Expenses and profits each month

When preparing an annual report it is good to know what investors are looking for.

This section should contain a year-to-date balance sheet to show the financial condition of the business at the end of your accounting period.

Include a year-to-date income statement, showing revenue and expenses and net profit.

I used the template that appears in a link on his page to produce the year to date financial statements.

Take the April trial balance - which is the last one for a regular new VE company

Enter all assets, liabilities and stockholders’ equity number under April

Enter each revenue and expense, by the month.

All numbers should appear in the trial balance below. Check that it is in balance

Click on Sheet 2 to see the income statement

Click on Sheet 3 to see the balance sheet

Copy and paste these documents into your written Annual Report.

You will probably have to reduce the size of the font and adjust with the margins for it to fit properly.

Include how the earnings occurred. Refer to section 6- Current year summary of financial statements.

Include the company's debt. The loan made from the Virtual Enterprise Center.

Come up with the debt to equity ratio. Divide liabilities by stockholders' equity. Example 46,617/90,106 = .52

A high ratio means that the company borrows a lot of money to spark growth.

[Written report on financial statements](FS1.docx)

[PowerPoint presentation on financial statements](FS.pptx)

[Financial Summary Template](FSTemplate.xlsx)

**Day 8: Information Technology Report**

What were they responsible for: Web Page, Video Commercial, year- end video, Internet Advertising.

How was the web page created?

Was a template used to create the site?

Who is hosting the site?

Did it get listed in the Shopping Mall?

Did they compete in the Web page design competition?

Did they compete in video commercial competition?

[Information Technology written report](IT.docx)

[Information Technology PowerPoint presentation](IT.pptx)

<http://www.screencast.com/t/cuLgc3gXn0> How LoveBytes works

In the PowerPoint presentation we also included a movie linked to Screencast.com

The movie was made using Camtasia Studios software. They have they own site where the movie resides.

PowerPoint also lets you insert a movie that you have saved to file if you wish.

Camtasia also lets you have your movie uploaded to UTube or saved in a file on your computer.

**Day 9: Report from Human Resources**

Your Human Resources Department is responsible for producing a monthly newsletter

An employee manual needs to created for your company outline all the rules that need to be followed.

The Human resources Department is also responsible for professional development workshops.

Company forms need to be updated on a regular basis.

A file should be maintained for each employee for performance evaluations.

Employees of the month is another responsibility

The 401 K plan needs to be in place for all employees as well as health insurance program after three months.

Put on a Time Management workshop.

Update job descriptions

[Written Report Human Resources](HR.docx)

[PowerPoint report from Human Resources](HR.pptx)

**Day 10:Proofread entire report. Practice oral presentation**