

JULIES VENTURES

MID YEAR REPORT

(DECEMBER 2021 – MAY 2022)



Julies Local Rice; Your quality local rice

INTRODUCTION

This document seeks to give a brief on performance of Julies Ventures from June, 2022 to November, 2022

General performance of service during the period under review was impressive. The company focused on using its internal strengths and limited operational resources to increase sales and serve greater percent of its total customers.

Among other activities carried out included improving packaging, visit to the rice field to improve relationship with suppliers and negotiate good rates, training offered by OZE Limited on managing data and records keeping.

2.0 SCOPE

The document reviews all critical aspects of the company which include but not limited to;

1. Operations
2. Marketing/Sales
3. Finance
4. Procurement

3.0 OPERATIONS

Period	Distance Traelled (miles)	Fuel use (ltrs)	Tons Of Rice Sold	Total Sales (Ghc)
Dec. 2021 - May 2022	2,893	671	13	111,674
Jun. 2022 - Nov. 2022	1,412	470	9.9	179,245

From the table above, operational performance of the company during the period was an improvement over the previous period. Some measures were put in place to serve customers in zones where operations were suspended. Such measures included partnership with a courier service, effective updates and communication. A total **470** liters of fuel (gasoline) was used to travel a distance of **1412** miles and to generate a total sale of **Ghc 179,245.50** during the month under review. In addition to this, the company was able to sell **9.55** tons of local rice during the same period under review.

On the average the company used a liter of fuel to travel **3.00** miles and generated **Ghc 126.9** during the period.

Julies Ventures recorded a total of **23** breakdown en route. The cause of these breakdown ranges from bad roads, mechanical faults, over loading and electrical fault. This translates into an average of **3.8** breakdown en route per month during the period.

3.1 Mode of Operations

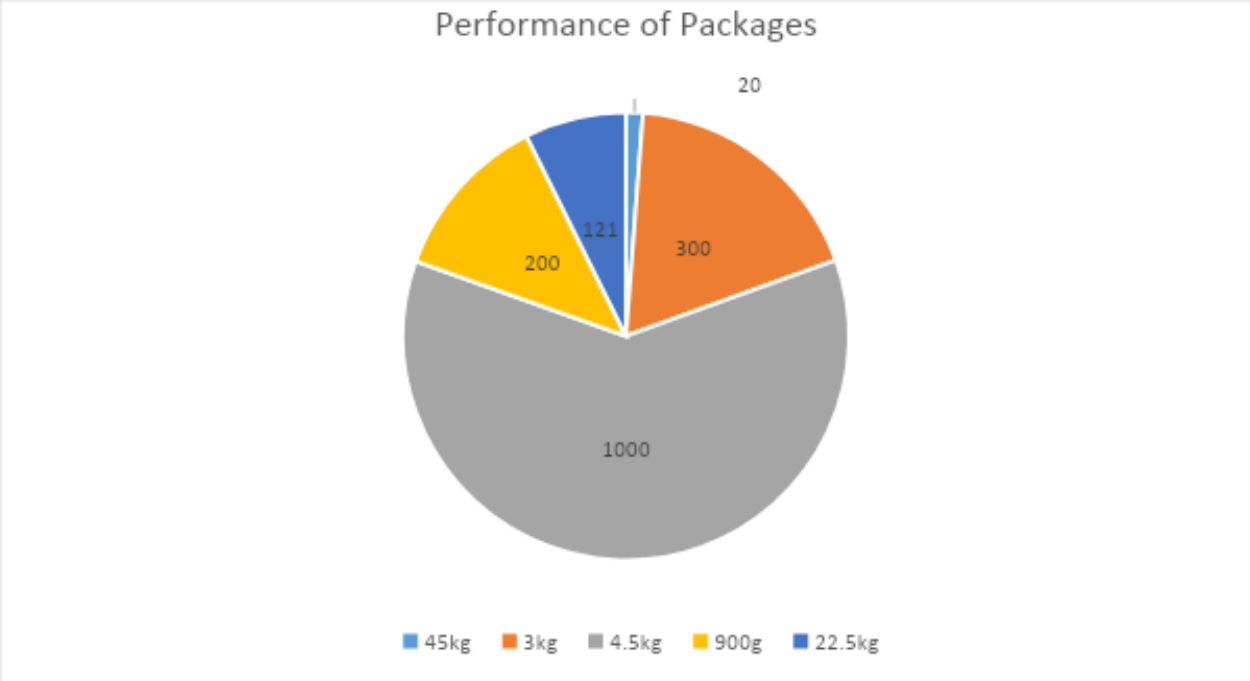
Julies Ventures has zoned its current operational area into six zones and each day of the week is dedicated to a particular zone. The period under review was characterized with high inflation rate (avg. 47%), hikes in fuel prices and rapid depreciation of the cedi. It there became necessary for the company to change its operations to reduce to cost. In view of this Julies Ventures suspended it operations in some of the zones. Customers in the affected zones were served through courier service, The table below shows details of our operational zones

OPERATIONAL AREAS			
Name of Zone	Distance	Day of Service	Average mile per period
Klagon/Lashibi	20	Mondays	470
Roman Down/Labanon	12	Tuesdays	suspended
Adjei Kojo/Kanawu	9	Wednesdays	222
Promise land/Suncity	15	Thursdays	420
Santoe	24	Fridays	suspended
Tespo Market	10	Saturdays	300

4.0 MARKETING AND SALES

During the period under review, Julies Ventures sold **9,200** kilograms (9.2 tons) of local rice. One thousand (1000) pieces of the 4.5kg package was sold during the period and recorded the highest. On the other hand, the 45kg package recorded the lowest sales

performance. 20 sacks were sold during the period. The figure below shows performance of the other packages.



Even though the period witnessed harsh economic conditions Julies Ventures introduced changed it sales and marketing strategy to ensure profitability. Some operational areas were suspended to reduce operational cost. it also suspended new customer acquisition plans and focused on customer retention strategies.

Additionally, the company negotiated with the suppliers to hedge prices to ensure stability in cost of goods. Because of this, Julies Ventures was able to maintain consistency in the prices of packages to ensure customer retention.

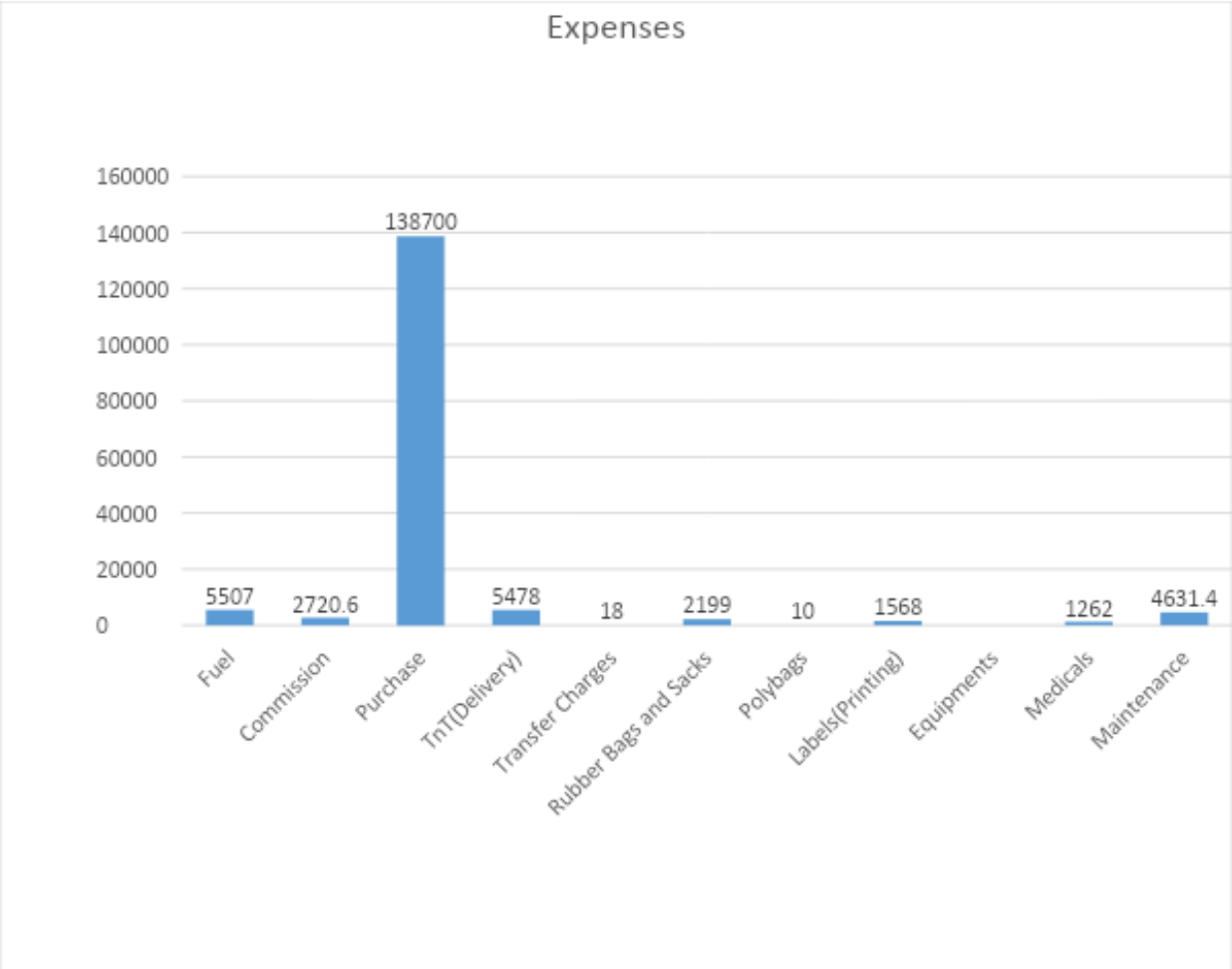
5.0 FINANCE

5.1 Income

In comparison with the previous period, the company generated **Ghc 179,245.50** representing 51% increase over the previous period. This was made possible because of the strategies it adopted to withstand the fragile economic condition during the period under review

5.2 Expenses

Company recorded **Ghc 166,725.40** as total expenses. Purchase (cost of goods) recorded the highest expenditure while polybags recorded the least expense and there was no expense made on equipment. The figure below shows all the expenses that were made during the period under review. The high cost of goods is attributed to high inflation and limited supply of local rice.



Compering with the previous half year, total expenses for the current period increased by 52%. The period marked the peak of Ghana’s economic recession. Inflation rate at

the beginning of the period (June) was 27% and reached 50.44% by the end of November. This resulted in a sharp increase in cost of goods and services.

Specifically, expenses on purchases, delivery and maintenance increased by 67.8%, 57.8% and 58.3% respectively. The increase in these expenses was driven by inflation, frequent breakdown of sales vehicle and increase in cost of delivery per 50kg bag of rice from the farm to the processing center

On the other hand, Julies Ventures did well to reduce expenses on fuel, commission and labels by 8.9%, 64.2% and 13.9% respectively. Whereas these expenses were within the control of the company, it could do little about expenses on purchases, maintenance and delivery.

The table below shows details of expenses that were made within the two periods.

Expenses	Dec. 2021 - May 2022	Jun. 2022 - Nov. 2022	Percentage change
Fuel	6,048.00	5,507.00	-8.95 ↓
Commission	7,588.30	2,720.60	-64.15 ↓
Purchase	82,613.00	138,700.00	67.89 ↑
TnT(Delivery)	3,470.00	5,478.00	57.87 ↑
Transfer Charges	141.10	18.00	-87.24 ↓
Rubber Bags and Sacks	1,219.50	2,199.00	80.32 ↑
Polybags	22.00	10.00	-54.55 ↓
Labels(Printing)	1,822.00	1,568.00	-13.94 ↓
Equipments	136.00	0.00	-100.00 ↓
Medicals	190.00	1,262.00	564.21 ↑
Maintenance	2,924.00	4,631.40	58.39 ↑
Total Expenses	106,173.90	162,094.00	52.67 ↑

5.3 Income and Expense analyses

Julies Ventures recorded loses in the month of June and July. As mentioned earlier, these months witnessed a sharp and unexpected decline in the growth of the country's economy. Inflation, local currency depreciation and high cost of operations and maintenance accounted for the loses. The company injected capital from it saving and put drastic measures to increase sales and reduce cost.

These measures yielded positive results. From the figure below, the company started performing well in August through to the end of the period under review. It performed exceptionally well in the month of October because it had fully adjusted its operations to the prevailing economic condition.



5.4 Profit/Loss

Julies Ventures recorded a total profit of **Ghc 12,520.10**. This represents **6.98** percent of total income generated. In comparing with the last period, the total profit for this period increased by **0.16%**

6.0 CHALLENGES.

Julies Ventures has not been able to replace its sales car which is very key to the growth of the company. The company's sales strategy to ensure growth and expand service hinges on a strong sales van. The current sales car has limited space and capacity to meet the growing daily kilograms demanded.

Secondly, persistent increase in fuel (gasoline), inflation and other economic indicators has resulted in unstable producer prices, high cost of packaging materials and marketing.

The company has not been able to expand sales to other municipalities in greater Accra due to the lack of operational logistics such as mini truck.

There is an emerging concern from customers to have the product tested and approved by Food and Drugs Authority in Ghana. Even though the process has begun, it is slow and this may affect sales in future.

To minimize maintenance cost due to frequent breakdown of the sales car, the company has introduced a new sales strategy to serve existing customers. In this strategy, the company has identified some retailer in our existing operational areas to set up sales stands in their shops. Even though this has reduced travel frequency the level of new customer acquisition with this strategy is low.

WAYFORWARD

Julies Ventures is working hard to improve sales to replace its sales car that will be suitable for the company's growth and development which depend of coherent and effective sales and marketing strategy. To this end, it is willing to embrace all opportunities which locally and internationally available to help the company purchase a stronger sales van.

8.0 CONCLUSION

Julies Ventures remains focused on its vision to become the leading local rice marketing company in Ashaiman Municipality by the year 2027. This is achievable as the company strives to resolve it challenges and consolidate its existing operations.

OPENING BALANCE	TOTAL	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
OPENING BALANCE	13,056.10	542.50	2,794.70	3,011.20	795.00	1,973.00	3,939.70
INCOME							
Sales of rice	179,245.50	18,263.50	17,914.00	32,333.00	35,904.00	39,358.00	35,473.00
Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grant(ENTRAPOV)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	179,245.50	18,263.50	17,914.00	32,333.00	35,904.00	39,358.00	35,473.00
EXPENSE							
Fuel	5,507.00	675.00	770.00	1,012.00	995.00	845.00	1,210.00
Commission	2,720.60	1,729.40	2,336.00	1,116.00	300.00	1,720.60	150.00
Purchase	138,700.00	15,170.00	17,290.00	25,560.00	30,500.00	22,880.00	27,300.00
TnT(Delivery)	5,478.00	618.00	698.00	1,030.00	1,382.00	940.00	810.00
Transfer Charges	18.00	0.00	0.00	0.00	0.00	0.00	18.00
Rubber Bags and Sacks	2,199.00	404.00	447.00	0.00	0.00	513.00	835.00
Polybags	10.00	0.00	10.00	0.00	0.00	0.00	0.00
Labels(Printing)	1,568.00	270.00	278.00	660.00	0.00	360.00	0.00
Equipments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Medicals	1,262.00	124.00	113.00	854.00	171.00	0.00	0.00
Maintenance	4,631.40	2,007.00	710.00	415.00	190.00	1,309.40	0.00
Total Expenses	166,725.40	20,997.40	22,652.00	30,647.00	33,538.00	28,568.00	30,323.00
Ending Cash Balance	25,576.20	(2,191.40)	(1,943.30)	4,697.20	3,161.00	12,763.00	9,089.70

Presently, the sales vehicle – Hyundai Accent saloon car is unable to operate effectively to meet the ever growing transport needs of the company due to inadequate carrying capacity, frequent breakdowns, high fuel consumption etc.

The company therefore seeks for financial assistance to enable it purchase 2018 Hyundai Porter II, Super Cab truck which is capable of meeting most of its transport needs. It is estimated to cost from \$11,000 to \$12,000.

2018 Hyundai Porter II Super Cab



It uses Diesel. A liter of diesel could travel a distance of 10 kilometers

Julies Ventures has a four year budget in place which centers on efficient utilization of the truck to pay back the cost. In this plan, the company will be able to pay Ghc 2,675.11 (\$ 275.78) per month over the period of four years.

By the end of the fourth year, the company will generate Ghc 133, 829.84 (\$13,796.89) as cost of the truck and Ghc 512,336.36 as net profit.