

EMAIL

From: Sundari Rai
To: Viv Mores
Subject: Doughby Limited: Draft management accounts and business developments
Date: 6 November 2019

Doughby has produced its draft management accounts for the year ending 30 September 2019. Doughby's board has asked us to help with assessing its financial performance for the year ending 30 September 2019. The board has also asked for advice on some specific financial matters and broader strategic and operational issues. I am attaching the following:

- Doughby's draft management accounts for the year ended 30 September 2019 (**Exhibit 16**)
- An email from Freida Delores providing additional information about the management accounts and a summary of activity during the year (**Exhibit 17**)
- An email from Les Mendez about a new product proposal (**Exhibit 18a**) and related media articles (**Exhibit 18b**)
- An email from Jo Bloggs concerning an IT issue (**Exhibit 19a**), together with media articles (**Exhibit 19b**)

Please draft for my review a report addressed to the Doughby board. The report should comprise the following:

1. A review of Doughby's draft management accounts for the year ended 30 September 2019 in comparison with the year ended 30 September 2018.

Your review should be based on the draft management accounts as set out in **Exhibit 16**. It should cover, both overall and for each division, revenue and gross profit. In your review you should refer to the additional information provided in **Exhibit 17**. You should also provide the requested advice regarding the upcoming bank meeting (**Exhibit 17**).

2. An evaluation of the soya bread production proposal (as detailed in **Exhibit 18a**).

Using the assumptions in **Exhibit 18a**, prepare a detailed calculation of the revenue and gross profit which would be earned in the first year from the new product. You should evaluate the different supplier options as well as any other issues relevant to the proposal. You should also assess the adequacy of the assumptions as well as any business trust and ethical issues, taking account of the media articles in **Exhibit 18b**. Provide a clearly justified recommendation as to whether Doughby should proceed.

3. An evaluation of the IT failure issue (**Exhibit 19a**).

You should calculate and evaluate the financial impact of the IT issue (**Exhibit 19b**). You should also consider the strategic and financial implications regarding the future of the MG division, as well as any other relevant matters. You should incorporate any ethical and business trust issues arising from these matters, as well as make recommendations as to how Doughby should proceed.