

## Concise Financial Assessment (Procurement)

# QUICK PERSONNEL PTY LTD

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**Assessment Requested:** Quick Personnel Pty Ltd  
**Prepared for:** CSC BI Test Customer  
**On behalf of:** Sample Report  
**Contract Name:** Human Resources  
**Contract Value:** \$2,000,000  
**Report prepared by:** Corporate Scorecard Pty Ltd  
**Job Number:** 10502  
**Analyst:** Sandra Yeh  
**Phone:** 02 9959 3318  
**Contract Number:** RFT 082011  
**Ref No / Cost Centre:** CFA-P



## Overview

<b>Organisation Name</b>	QUICK PERSONNEL PTY LTD
<b>ACN/ARBN</b>	002749251
<b>ABN</b>	29002749251
<b>Ultimate Parent</b>	QUICK HOLDINGS PTY LTD
<b>Trustee</b>	No
<b>Head Office Address</b>	Level 12, 125 Queen Street, Melbourne VIC 3000
<b>Telephone</b>	(03) 8888 8888
<b>Line of Business</b>	Provision of recruitment and human resource services
<b>ANZSIC Code(s)</b>	L786
<b>Year Established</b>	2005
<b>Registered Charges</b>	Yes
<b>Court Actions &amp; Litigation</b>	Yes



<b>Contract Value</b>	<b>\$500,000 pa</b>
<b>Duration</b>	<b>3 years</b>
<b>Type</b>	<b>Provision of HR services</b>
<b>Rating</b>	<b>Sound</b>
<b>Score (1 - 10)</b>	<b>6.42</b>
<b>Pass/Fail</b>	<b>Pass</b>



<b>Contract Value</b>	<b>\$1,000,000 pa</b>
<b>Duration</b>	<b>3 years</b>
<b>Type</b>	<b>Provision of HR services</b>
<b>Rating</b>	<b>Satisfactory</b>
<b>Score (1 - 10)</b>	<b>4.97</b>
<b>Pass/Fail</b>	<b>Pass</b>



Contract Value	<b>\$2,000,000 pa</b>
Duration	<b>3 years</b>
Type	<b>Provision of HR services</b>
Rating	<b>Marginal</b>
Score (1 - 10)	<b>3.32</b>
Pass/Fail	<b>Fail</b>

## Executive Summary

<b>Documentation</b>	The assessment was made on the basis of information provided by the subject and other sources. All documents and information requested was provided on a confidential basis and no documents were withheld.
<b>Related Party Risk</b>	<p>The subject had current loans to the parent entity Quick Investments Pty Ltd of \$459,000 at 30 June 2011. The positive working position is heavily reliant on the recoverability of these loans. Although they were advised to be fully recoverable, no counterparty risk assessment has been carried out.</p> <p>Loans from related parties (Quick Services Pty Ltd) totalled \$250,000 at 30 June 2011 and were classified as current liabilities.</p>
<b>Assessment Results</b>	<p>On the basis of information obtained, the subject has been assigned with a Score of 6.42, indicating that it has a Sound financial capacity to undertake contracts of \$500,000 per annum.</p> <p>The company was assigned with a Score of 4.97, indicating that it has a Satisfactory financial capacity to undertake contracts of \$1,000,000 per annum</p> <p>Furthermore, it was assigned with a Score of 3.32, indicating that it has a Marginal financial capacity to undertake contracts of \$2,000,000 per annum.</p>
<b>Key Points and Recommendations</b>	<ul style="list-style-type: none"> <li>- Well established provider of recruitment and HR services</li> <li>- Traded profitably in 2011 and 2010</li> <li>- Annual revenue indicates that it has the capacity to undertake contracts up to \$1m pa</li> <li>- Working capital and net tangible worth positions, although decreased over the past 12 months, remain at an acceptable level for contracts up to \$1m pa</li> <li>- Taking on a \$2m pa contract would represent an exposure of 85% of average revenue for the past 2 years. Based on good risk management practices, and combined with the company's working capital and net tangible worth positions, this level of exposure to a single contract is considered high and undesirable.</li> <li>- Decrease in net tangible worth from June 2010 to June 2011 was impacted by the declaration of a dividend that exceeded the net after tax profit for the year</li> </ul> <p>The positive working position is heavily reliant on the recoverability of current loans to Quick Investments Pty Ltd (parent entity). Although the loans were advised to be fully recoverable, no counterparty risk assessment has been carried out. Given this reliance, consideration should be given to obtaining a counterparty risk assessment on Quick Investments Pty Ltd to determine that company's ability to repay the loans if required in the short term.</p> <p>Furthermore, given the 3 year term of the panel arrangement, consideration may also be given to undertaking an annual review of the financial position of the panel members.</p>

## Corporate Details

<b>Registered Name</b>	QUICK PERSONNEL PTY LTD
<b>Registered Address</b>	Level 12 125 Queen Street Melbourne VIC 3000
<b>Incorporation/Registration Date</b>	17 Feb 2005
<b>State (Country) of Incorporation</b>	VIC
<b>Status</b>	Registered
<b>Former Name(s)</b>	QUICK PEOPLE PTY LTD
<b>Entity Type</b>	Australian Proprietary Company
<b>Share Capital</b>	\$50.00

## Shareholders

<b>Name</b>	<b>Address</b>	<b>Shares Held</b>	<b>Class</b>
<b>JOANNE ELIZABETH SMITH</b>	45 Hill Street Hampton VIC 3188	1	ORD
<b>JOHN DAVID MARSHALL</b>	Unit 19 89 St Kilda Road Melbourne VIC 3004	1	ORD
<b>DEAN MICHAEL RICHARDS</b>	52 High Road Richmond VIC 3121	1	ORD
<b>MICHAEL PETER FAIRWEATHER</b>	64 Mitcham Street South Yarra VIC 3141	1	ORD
<b>QUICK INVESTMENTS PTY LTD</b>	Level 12 125 Queen Street, Melbourne Victoria 3000	46	ORD

## Officeholders

Director Name	Address	Date of Birth	Appointment Date
<b>JOANNE ELIZABETH SMITH</b>	45 Hill Street Hampton VIC 3188	09 Mar 1964	01 Jul 2009
<b>JOHN DAVID MARSHALL</b>	Unit 19 89 St Kilda Road Melbourne VIC 3004	13 Oct 1971	01 Jul 2009
<b>DEAN MICHAEL RICHARDS</b>	52 High Road Richmond VIC 3121	25 Sep 1962	26 May 2010
<b>MICHAEL PETER FAIRWEATHER</b>	64 Mitcham Street South Yarra VIC 3141	17 Nov 1968	17 Mar 2011
<b>DAVID JAMES TAYLOR</b>	28 Peak Street Toorak VIC 3142	09 Apr 1962	17 Feb 2005
Secretary Name	Address	Date of Birth	Appointment Date
<b>DAVID JAMES TAYLOR</b>	28 Peak Street Toorak VIC 3142	09 Apr 1962	17 Feb 2005

### Adverse Check on Directors

Name	Action Date	Action Type	Amount	Creditor	Plaint Number	Court Type
<b>DAVID JAMES TAYLOR</b>	18 Aug 2010	Default judgement	\$1,250	TELSTRA	123456	Local Court

A search of the Adverse file on 14 Sep 2011 revealed that there were no actions recorded against the above officeholders at that date.

## Business Profile

<b>Organisation Name</b>	QUICK PERSONNEL PTY LTD
<b>Head Office Address</b>	Level 12, 125 Queen Street, Melbourne VIC 3000
<b>Telephone</b>	(03) 8888 8888
<b>Mobile</b>	0400 000 000 (David Taylor)
<b>Facsimile</b>	(03) 9999 9999
<b>Website</b>	www.quickpersonnel.com.au
<b>Branch(s)</b>	Level 9, 19 Martin Place, Sydney NSW 2000 Level 4, 340 Queen Street, Brisbane QLD 4000 25 King William Terrace, Adelaide SA 5000
<b>Controlled Entities</b>	Quick Staff Pty Ltd
<b>Associated Entities</b>	Quick Hire Pty Ltd Quick Accounting Pty Ltd Quick Services Pty Ltd
<b>Parent Entity</b>	QUICK INVESTMENTS PTY LTD
<b>Ultimate Parent</b>	QUICK HOLDINGS PTY LTD
<b>Employees</b>	26
<b>Name of Bank</b>	Commonwealth Bank of Australia
<b>Bank Address/BSB</b>	15 Bourke Street, Melbourne, VIC 3000
<b>Bank Overdraft</b>	Yes
<b>Overdraft Limit</b>	\$100,000
<b>Bank Guarantees</b>	\$50,000
<b>Bank/Commercial Bills</b>	\$100,000
<b>Other Facilities</b>	Company credit card - \$20,000 limit

<b>Organisation Profile</b>	<p>The subject was incorporated in February 2005 and was founded as a new venture by David Taylor. Branch offices were established in Sydney in August 2007, Brisbane in May 2009 and Adelaide in April 2010.</p> <p>The subject is a recruitment and human resource services firm providing permanent, temporary and contract placement services in the areas of accounting, banking &amp; finance, information technology, administration, legal and insurance.</p> <p>The subject is a Member of the Recruitment and Consulting Services Association Australia and New Zealand.</p>
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## Summary Financial Statement

	QUICK PERSONNEL PTY LTD	30-Jun-11	30-Jun-10
	<b>Statement of Financial Performance</b>		
	Sales Revenue	\$2,515,748	\$2,185,460
	Cost of Goods Sold	\$675,029	\$491,196
	Gross Profit	\$1,840,719	\$1,694,264
	Depreciation & Amortisation	\$35,215	\$77,541
	Finance Costs	\$25,325	\$10,025
	Profit before Tax	\$314,524	\$224,576
	Profit after Tax	\$151,451	\$209,791
	<b>Statement of Financial Position</b>		
Assets	Trade Debtors	\$454,822	\$388,510
	Inventories	\$0	\$0
	Total Current Assets	\$1,105,406	\$889,761
	Non-Current Tangible Assets	\$119,660	\$149,341
	Intangibles	\$150,000	\$150,000
	Total Assets	\$1,375,066	\$1,189,102
Liabilities	Trade Creditors	\$37,841	\$22,410
	Total Current Liabilities	\$1,016,473	\$788,404
	Total Non-Current Liabilities	\$151,771	\$145,327
	Total Liabilities	\$1,168,244	\$933,731
Equity	Retained Earnings	\$206,772	\$255,321
	Total Equity	\$206,822	\$255,371

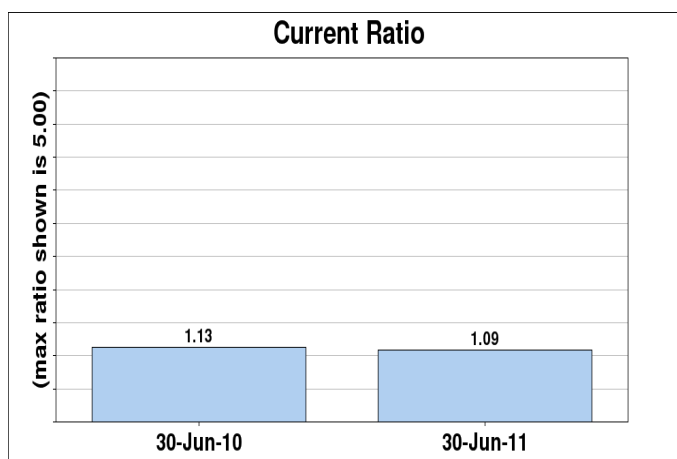
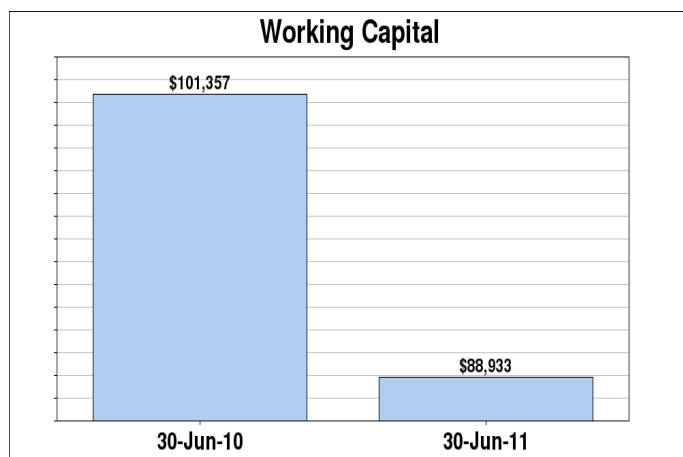
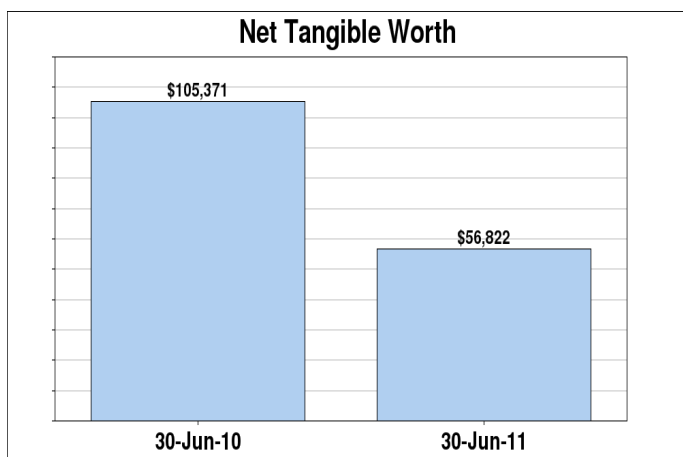
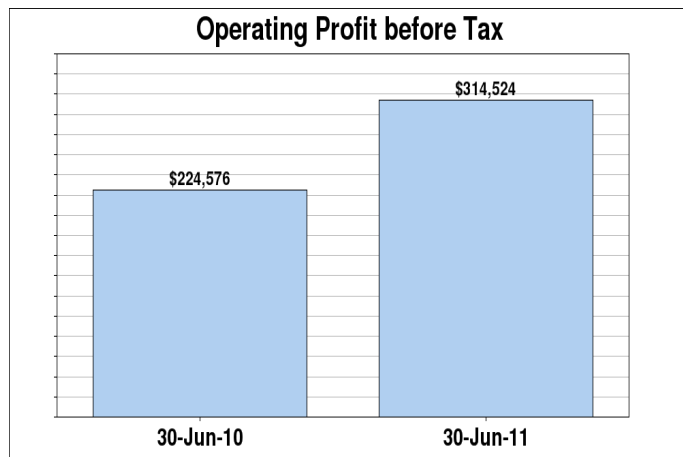
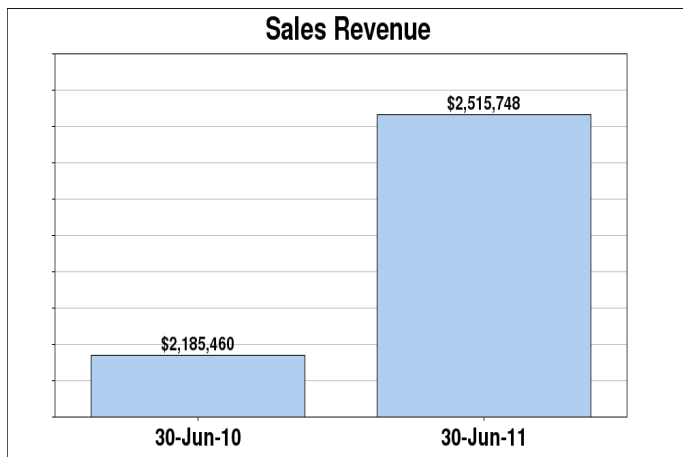


## Key Ratios

QUICK PERSONNEL PTY LTD	30-Jun-11	30-Jun-10
<b>Balance Sheet</b>		
Net Tangible Worth	\$56,822	\$105,371
Working Capital	\$88,933	\$101,357
Working Capital to Sales	3.54%	4.64%
Reinvestment	15.04%	21.47%
<b>Profitability Ratios</b>		
Gross Profit Margin	73.17%	77.52%
Net Profit Margin	12.50%	10.28%
Return on Assets	24.72%	19.73%
Return on Equity	73.23%	82.15%
<b>Liquidity Ratios</b>		
Current Ratio (Times)	1.09	1.13
Quick Ratio (Times)	1.09	1.13
Debtors Turnover (Days)	65.99	64.89
Creditors Turnover (Days)	20.46	16.65
<b>Debt Ratios</b>		
Gearing	84.96%	78.52%
Debt to Equity	564.85%	365.64%
Leverage (Times)	3.11	2.99
Interest Coverage (Times)	13.42	23.40
<b>Financial Capacity</b>		
Contract Value	\$2,000,000	\$2,000,000
Annualised Contract Value	\$2,000,000	\$2,000,000
Sales Revenue to Annualised Contract Value (Times)	1.26	1.09
Working Capital to Annualised Contract Value	4.45%	5.07%
Net Tangible Worth to Annualised Contract Value	2.84%	5.27%

Note: Where year to date financials have been used, ratios that have been derived using figures from the Profit & Loss Account may not provide an accurate representation of the subject. In these cases, reference should be made to the prior year ratios, which are based on full year figures.

## Financial Trend Charts



## Registered Charges and Securities

### Current Charges

ASIC Charge Number	Date Registered	Date Created	Status	Type	Chargee/Trustee
123456	01 May 2008	15 Apr 2008	Registered	Both Fixed & Floating	NATIONAL AUSTRALIA BANK LIMITED
456789	11 Aug 2010	05 Jul 2010	Registered	Fixed	TOYOTA FINANCE AUSTRALIA LTD

### Satisfied Charges

ASIC Charge Number	Date Registered	Date Created	Status	Type	Chargee/Trustee
34567	14 May 2005	25 Apr 2005	Satisfied	Both Fixed & Floating	COMMONWEALTH BANK OF AUSTRALIA

## Adverse Check

Action Date	Action Type	Amount	Creditor	Plaint Number	Court Type	Status
18 Mar 2010	Court Writ	\$1,654	ABLE STATIONERY PTY LTD	45536	District Court	Paid: 15 Apr 2010
25 Oct 2009	Default judgement	\$2,250	OPTUS	12352	Magistrate Court	Paid: 20 Nov 2009

The above actions arose due to misplaced invoices and have since been paid in full. Due to their small value, they are not considered to have a material impact on this assessment.

## Key Ratios Notes

The following is a guide to the ratios that may be included in this report. Note: Financial ratios are indicators of an entity's performance and financial position and will provide useful information, especially when comparing entities in the same industry. It must however be pointed out that ratios can be influenced by, but not limited to, point-in-time adjustments, decisions taken by management, use of different accounting policies and whether the entity is part of a larger group.

Ratio	Calculation	Definition
<b>Balance Sheet Ratios</b>		
Working Capital	Current Assets - Current Liabilities	Measure of an entity's ability to meet short term liabilities. The higher the figure the better however, must understand the types of current assets the entity has and how quickly they can be converted into cash to meet current liabilities. A negative figure can indicate cash flow/liquidity issues.
Net Tangible Worth	Shareholders Equity - Intangibles	Measure of an entity's physical worth minus any value derived from intangible assets such as goodwill, patents, intellectual property, etc. The higher the figure the better.
Working Capital to Sales	(Working Capital / Sales Revenue) x 100	Measures how effectively an entity is using its working capital to generate sales. If the figure is too high, it can indicate the entity is not efficiently using its balance sheet while a low figure may indicate overtrading.
Reinvestment	(Retained Profits / Total Assets) x 100	Measures the accumulated level of profit reinvested into an entity over time to fund its future growth. The higher the figure the better. A negative figure can indicate the need for external funding to support operations.
<b>Profitability Ratios</b>		
Gross Profit Margin	(Gross Profit / Sales Revenue) x 100	Measure used to assess an entity's ability to turn a dollar of revenue into profit after cost of goods sold has been accounted for. The higher the figure the better. A negative figure can indicate poor costing procedures.
Net Profit Margin	(Profit before Tax / Sales Revenue) x 100	Measure of how much out of every dollar of revenue an entity retains in earnings. A higher figure indicates a more profitable entity that has better control over its costs compared to its competitors.
Return on Assets	(Profit before Interest & Tax / Total Assets) x 100	Measure of how profitable an entity is relative to its total assets. Provides a useful guide as to how efficient the entity is at using its assets to generate a profit.
Return on Equity	(Profit after Tax / Shareholders Equity) x 100	Measure used to assess an entity's efficiency in generating additional profit from every unit of shareholders equity. The higher the figure the better.
<b>Liquidity Ratios</b>		
Current Ratio	Current Assets / Current Liabilities	Measures whether an entity has sufficient resources to pay its debts over the next 12 months. If the ratio is too high, it may indicate the entity may not be efficiently using its current assets. A low value (ie less than 1) may indicate the entity could have difficulty meeting its short term obligations. A low value however may not indicate a critical problem if the entity has good long-term prospects or assets as it may be able to raise funds to meet current obligations.
Quick Ratio	(Current Assets - Inventories) / Current Liabilities	Measure of an entity's ability to use its near cash or quick assets to meet short term liabilities. This ratio is more conservative than the current ratio as it excludes inventories, which are considered the least liquid current asset. The quick ratio therefore measures a worst case scenario ability to meet obligations.
Debtors Turnover	(Trade Debtors / Sales Revenue) x 365	Measures the number of days on average that it takes an entity to receive payment for what it sells. The lower the number the better. An especially high number can be a sign of inefficiency/collection problems and place pressure on cash flow.
Creditors Turnover	(Trade Creditors / Cost of Goods Sold) x 365	Measures the number of days on average that it takes an entity to pay its creditors. A low figure signifies that creditors are being paid promptly, which enhances the credit worthiness of the entity. An entity that is slow to pay its bills (over 90 days) may indicate cash flow problems or is trying to finance its operations with its suppliers funds.

Ratio	Calculation	Definition
<b>Debt Ratios</b>		
Gearing	$(\text{Total Liabilities} / \text{Total Assets}) \times 100$	Measures the proportion of total debt outstanding relative to an entity's total assets. Used to indicate an entity's longer term stability, in particular its ability to meet debts from its asset base. The lower the percentage, the better is the ability to cover debt from assets. A high gearing is generally considered speculative.
Debt to Equity	$(\text{Total Liabilities} / \text{Shareholders Equity}) \times 100$	Measures the proportion of capital invested by the entity's owners to the funds provided by external lenders/creditors. A high ratio generally means that the entity has been aggressive in financing its growth with debt.
Leverage	$\text{Total Liabilities} / (\text{Profit before Interest, Tax \& Depreciation})$	Measures an entity's proportion of operating profit that is used to pay its liabilities. Entities that are highly leveraged may be at risk of failure and may also be unable to find new lenders.
Interest Coverage	$(\text{Profit before Tax} + \text{Interest Expense}) / \text{Interest Expense}$	Measures an entity's level of profits that are available to meet its interest expense. Very important from a lender's point of view as it indicates the number of times interest is covered by profit. A high ratio provides greater assurance of regular interest payments. A low ratio could create problems to the entity in raising funds.