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Executive Summary

- Service of Coles supermarket is spread across the various parts of Australia
- High level of competence and ranked first by Australian Security Exchange
- Non-financial activities primarily involve delivery of retailing services such as grocery, phone plans, fuel refiling, and credit cards, sustainable environmental planning, governance of the performance of every department, maintenance of customer satisfaction, and promoting social equality
- Financial Activities includes maintaining efficiency in “balance sheet statement”, “income statement”, and “cash flow statement”; low rate of interest of the company for maintain sufficient capital structure.
- Financial Report aids in evaluating the changing traits of economical components within firms

Coles is a supermarket and consumer service chain delivering retailing services such as grocery, phone plans, fuel refiling, and credit cards across the various parts of Australia. The firm is enlisted within the Australian Security Exchange Ranked for maintaining progressive performance in terms of growth and satisfying customer’s needs over a long period of time. The major financial activities that take place in the firm are maintaining efficiency in “balance sheet statement”, “income statement”, and “cash flow statement”; low rate of interest of the company. The non-financial activity of the firm includes providing grocery retailing service to the customers, sustainable environmental planning, governance of the performance of every department, maintenance of customer satisfaction, and promoting social equality. The balance sheet statement is effective for analyzing the changing trends in the financial status of the firm.

Analysis

- Coles supermarket serves 6.34 million households from Australia (Statista.com, 2019)
- Around “A\$38.175 billion” revenue observed within Coles in the financial year 2019-2020 (Coles Group, 2019)
- The net profit margins of the organization witnessed a change of 14% between the financial year 2020 and 2021 (Coles.com.au, 2021)
- 12.99% is the interest rate of the company “p.a. on purchases” (Coles.com.au, 2021)

Coles is one of the largest supermarket chains of Australia over 6.34 million households from the country. The revenue of the firm was around “A\$38.175 billion” in 2020 and its statutory net

profit level witnessed a change of 14% between the financial year 2020 and 2021. The “p.a. on purchases” interest rate of the company is 12.995 as of 2021.

Interpretation

Justification on Financial performance of the organization

- A\$ 250 million, is the total cost procured by Coles super market in the financial year 2020 (Coles Group, 2020)
- A balance sheet statement is drafted by financial managers for assisting a business venture in that helps an organization to acquire a balance between cash in and outflow
- Net profit of the firm increased by around 701% in between 2019 and 2020 despite the pandemic offset (Coles Group, 2020)
- Sales volume of the Australian supermarket chain boosted by around 6.9% in between 2019 and 2020 (Coles Group, 2020)
- Around 88.2% of customer satisfaction was achieved by Coles group out of all available supermarket chains within Australia (Coles Group, 2020)
- Around “A \$139m” has been invested by the firm for community support and development purpose in 2020 (Coles Group, 2020)
- Total dividend amounts paid by Coles supermarket in 2020 was around “\$873m (Coles Group, 2020)
- Around “A\$1.414 billion” was the “operating income amount” received by the firm in between 2017 and 2018 (Coles Group, 2018)

The balance sheet statement includes the total cost of “assets”, “liabilities”, and the “shareholders' equity”. A\$ 250 million, is the total cost procured by Coles super market in the financial year 2020. The balance statement of the firm highlights the balance acquired by the organization between the liabilities and the assets. Acquiring a balance between both the factors helps an organization to increase the profit level and development. Net profit of the firm increased by around 701% in between 2019 and 2020 despite the pandemic offset. Sales volume of the Australian supermarket chain boosted by around 6.9% in between 2019 and 2020. Around 88.2% of customer satisfaction was achieved by Coles group out of all available supermarket chains within Australia. Around “A \$139m” has been invested by the firm for community support and development purpose in 2020.

The income statement of the Coles supermarket highlights the revenue inflow within the firm after spending on maintenance of the long-term liabilities and amount of taxation. The cash flow statement of the firm on the other hand involves a relationship generated through income and investment of the entire cash flow process. The income statement highlights the capital inflow in the firm in comparison to the income outflow. Total dividend amounts paid by Coles supermarket in 2020 was around “\$873m. Around “A\$1.414 billion” was the “operating income amount” received by the firm in between 2017 and 2018. Thus, the link between investment and income in the process of development is highlighted in the cash flow statement of the firm.

Non-financial performance of the organization

- In the financial year 2019, the firm was involved in lowering the carbon emission by removing usage of “1.7bn plastic bags” and incorporating recycling within their operations (Coles Group, 2020)
- Coles supermarket chain of Australia has also been involved in controlling the greenhouse gas emission by 6% in between 2018 and 2019 (Coles Group, 2020)
- The level of customer satisfaction of the Coles supermarket chain was 88.25 as of 2020, that indicated proper retaining services offered by the firm to fulfill all sorts of customer’s demands (Coles Group, 2020)
- Coles management also follow an inclusive work culture through including workers from LGBTQ community within their workforce
- Around 112,269 employees work for Coles across all branches of Australia (Coles Group, 2020)
- The broad diversity between both male and female within the firm is 64.1:35.9 of the board of senior directors comprising both genders (Coles Group, 2020)

The four non-financial performance involved in an organization are as follows

Environmental Matrix

The environmental matrix involves the organizations' contribution in lowering fuel emissions for maintaining ecological stability (Zafar, Saud & Hou, 2019). In the financial year 2019, the firm was involved in lowering the carbon emission by removing usage of “1.7bn plastic bags” and incorporating recycling within their operations. The implication of the aforementioned factors has been beneficial for the firm to influence the other competitors to increase the concern for

protecting the environment. Coles supermarket chain of Australia has also been involved in controlling the greenhouse gas emission by 6% in between 2018 and 2019.

Consumer Matrix

Coles supermarket chain of Australia is also involved in providing effective retailing service to the customers to ensure the high levels of satisfaction of the customers followed by generation of high volumes of sales. The level of customer satisfaction of the Coles supermarket was 88.25 as of 2020, that indicated proper retaining services offered by the firm to fulfill all sorts of customer's demands. Thus, it highlights a high level of facilities and easy of availing retailing services provided by Coles towards the Australian customers that aid them in winning the customer's trust and manipulate them to choose Coles over other supermarkets from the country.

Social Matrix

The social matrix of the supermarket chain highlights that the firm is involved in the cross-cultural structure and does not support disparity based on caste, creed, culture, gender, and race. Around 112,269 employees work for Coles across all branches of Australia. Coles management also follow an inclusive work culture through including workers from LGBTQ community within their workforce.

Governance Matrix

The organization actively participates in supervising the maintenance of equality and eradicating disparities. The higher board of diversity between both males and females within the firm is 64.1:35.9 of the board of senior directors comprising both the genders. Coles supermarket chain is involved in connecting whistle-blowing to estimate the rate of misconduct cases and programs.

Business Activities and financial implication of Coles supermarket

- The Coles supermarket chain of Australia is involved in providing retailing services across 807 locations of Australia (Coles.com.au, 2021)
- Core competence is another important business activity of the Coles supermarket chain
- The supermarket chain is listed within the Australian security Exchange ranks for its outstanding financial as well as operational performance (Coles.com.au, 2021)
- Low to the medium interest rate is offered by Coles supermarket chain of Australia on “p.a. on purchases” basis (Coles.com.au, 2021)

The Coles supermarket chain of Australia is involved in providing retailing services across 807 locations of Australia. Business expansions one of the key activities of the firm in the process of

development and growth. High competence is another business role of the **Coles supermarket chain** as it is listed within the Australian security Exchange ranks for its outstanding financial as well as operational performance. Investment policies of the firm are moderate to low which attracts investors to invest within the firm and thereby availing satisfactory amounts of dividends from the company's financial incomes after each financial year. Low to the medium interest rate is offered by **Coles supermarket chain of Australia** on "p.a. on purchases" basis.

Application of "Financial and non-financial indicators to explain trends and issues in the company's financial results"

- Vertical, Horizontal, and Leverage analysis are the three major aim of determining issues in the financial management of the firm (Swanton *et al.* 2019)
- The income statement value is interpreted using the vertical trends such as the Gross Domestic Value, Gross Profit Ratio and tax ratio (Kingshott *et al.* 2018)
- The trend fails to access the assets estimation of the firm
- The horizontal analysis evaluates the comparison of the result between consecutive years of the past (Yip and Bocken, 2018)
- The performance of the organization is evaluated using the Leverage analysis trend (Otchere and Chan, 2017)

Supervision plays an important role in the process of determining financial results through vertical analysis trends, horizontal analysis trends, and leverage analysis. The income statement value is interpreted using the vertical trends such as the Gross Domestic Value, Gross Profit Ratio, and tax ratio. The major issue of this kind of vertical evaluation is that it fails to involve the assets held by the firm. The horizontal analysis evaluates the comparison of the result between consecutive years of the past. The major drawback of this trend is that it fails to produce future analysis. The performance of the organization is evaluated using the Leverage analysis trend.

Conclusion

- **Coles is the most reputed supermarket chain of Australia that delivers retailing services such as grocery, credit cards, phone plans and fuel refilling**
- **Maintain financial statement and providing consumer service at the low rate of interest such as 12.99 in "p.a. on purchases" basis** are the major financial activities of the firm

- Expanding business, core competence and low-interest rates are the major business activities
- Around “A\$38.175 billion” revenue observed within Coles in the financial year 2019-2020

Coles is one of the most trending and highly ranked supermarket chains of Australia that delivers retailing services such as grocery, credit cards, phone plans and fuel refilling. Maintenance of balance and financial statements, providing improved customer service, and moderate interest is the major financial activities of the firm. Around “A\$38.175 billion” revenue observed within Coles in the financial year 2019-2020. Expanding business, core competence and a lower rate of interest are the major business activities initiated by the management of the firm.

Financial Management Assignment Sample

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