

How to Run Physical P&L by Sales Contract

The P&L Inquiry provides support for the following business activities

- 1.Estimating profitability in USD per trade (Sales Order/Detail) and comparing to actual (physicals plus futures)
- 2.Viewing overall profitability of completed businesses using the P&L Report with data generated from the Inquiry (physical plus futures, actual only)
- 3.Managing the state of the transactions themselves – declaring them “realized” and/or declaring them “complete.”

There are linkages between the P&L Inquiry and other screens notably voucher screen, Sales -Invoice screen and Allocation .

Transactions will first appear on this screen when an allocation is created between purchase and sale. They can always be viewed henceforth although default filter settings will exclude realized and “cost complete” transactions.

There will be 2 tabs

1- Physical results

2- Physical/ Futures results

First Tab (Physical Results)

Field Name	Description
Transaction type	Name of the transaction revenue items are placed on top expense below revenue items
Description	Show the PO/SO number to which the revenue /expense items are allocated
Doc No/ Tracking No	Bill/Invoice number
Date	Date of bill / invoice
Posted	If bill/ invoice has been posted or not . If posted Y is populated against that expense
Allocated (unit)	Qty allocated to the expense
Booked (unit)	Invoice Quantity
Price (unit)	Price associated with the expense
Currency	
Transaction value	For actual transactions - Value of the bill/ invoice For forecasts- Cost projected X allocated qty
FX	Work in progress
Forecast (USD)	Transaction value X FX Currently the P&L will run in USD . so any expense recorded in non USD will need a FX to convert the same into USD.
Accounting (USD)	Transaction value X FX as entered in the bill /invoice
Difference	Difference between forecast and Accounting column

Second Tab (Physical/ Futures Results)

(1) Unit of measure determined by selection on header (Qty and price). The notation would be Currency per weight UOM , like USD per lb or USD per MT

(a) Qty, if in Lbs – show no decimals

(b) Qty, if in MT – show 4 decimals

(c) Prices – show 4 decimals

(2) Total SO Qty should be in this same UOM

(3) Invoices – this is the sum of all sales invoices processed against the sale

(a) Converted to USD

(b) Sum of quantity on the various invoices

(c) Avg Diff/Premium is as follows:

(i) use basis (or Premium) cost per contract in UOM specified in header

(ii) If the contract was a USD contract, pick up the equivalent differential/Premium from the Cost tab in the Contract Detail...note that this is the value in the Differential field, not any of the theoretical fields

(iii) If this field is not filled in, then use zero as the Sales Forecasted Per Lb (or Per MT) value

(iv) Convert the value in this field (if necessary) to the price UOM selected in the inquiry header

4) Purchases

- Quantity is sum of Purchase contracts allocated to that sale (voucher quantity). Can be less than sales quantity if not yet fully allocated
- USD is the value of the purchase quantity by extending times price (expressed in USD). Can be multiple PO's so for example, 20 MT at \$1/MT plus 30 MT at \$2/MT would display as 50 MT, \$80, and \$1.60/MT
- Avg Diff/Premium is same calculation/logic as on sales side, except there can be multiple PO's allocated to the sale. Therefore, the diff/premium of each PO must be weighted averaged (according to quantity allocated to the sale) to calculate the overall Avg Diff/Premium

5) Gross Profit USD

- Qty should be invoiced quantity
- USD amount is sales minus purchases (above two rows) – this is the second (booked) column
- Dollar amount in the Average Diff/Premium column is the Sales Diff minus the purchase Diff times the invoiced quantity (in the first column on this row)
- Variation is Booked minus Estimated dollars

6) Gross Profit Rate

- In USD/MT column (or US Cts/LB), it is the Booked USD divided by the Invoice Quantity (from the previous row). Note that this may not be the same as subtracting the cost from the revenue rate due to differences in invoice and purchase quantity booked
- Estimated Average Diff/Premium is the difference between the invoice and purchase rate just above it in the same column
- Variation is booked rate minus estimated rate (going across this row)

7) PO Costs

- Booked USD shows actual costs allocated to the PO's associated with this SO. For COGS, system will know the amount as it is automatically prorated by Sales quantity. For non-COGS items, system will allocate percent of cost charged to the PO proportionately to percent of the PO that is allocated to this SO. Report should be doing this today. Note that on this screen, the sum of all costs assigned to the PO (other than the commodity cost itself) appears as a single number
- Booked USD/MT (or US Cts/LB) is the Booked US dollars divided by the Invoiced quantity
- Estimated USD/MT (or US Cts/LB) comes from the PO costing, total of all costs budgeted for this PO, converted if necessary to the UOM specified in the header

8) SO Costs – same as PO Costs only on the SO side. Note: can combine PO and SO costs into a single number (single row) called PO/SO Costs

9) Total Costs USD

- Quantity = invoiced quantity
- The next two USD amounts are the sum of the two numbers above it (PO plus SO)
- Variation is estimated minus booked

10) Total Costs – Rate

- Booked USD/MT is the booked USD amount divided by invoiced quantity
- Estimated Avg Diff/Prem column is the sum of the PO plus SO rates (same column, PO and SO cost rows)
- Variation is Estimated minus booked rates

11) Physical Profit – USD

- Quantity is invoiced quantity
- Booked USD is Gross Profit minus Total Costs – USD (same column)
- Estimated Avg Diff/Premium is Gross Profit minus Total Costs – USD (same column)
- Variation is Booked minus Estimated (same row)

12) Physical Profit – Rate

- Booked is previous row's Booked divided by Invoice quantity
- Estimated is previous row's Estimated divided by Invoice quantity
- Variation is booked minus estimated (same row)

13) Futures Impact

- Booked comes from futures pop up (spec below)
- Estimated is always zero
- Futures Impact Rate (appears both in Booked USD/MT column and Variation Column) is Futures Impact USD from previous row divided by Invoiced quantity. (Losses are bracketed.)

14) Net SO Profit

- Quantity is Invoiced quantity
- USD is Physical Profit plus futures impact
- Estimated equals Physical profit
- Variation is Booked minus Estimated

15) Net SO Profit Rate

- USD/MT is Net SO Profit in USD (previous row) divided by Invoice quantity
- Avg Diff/Premium is Net SO Profit in USD (previous row) divided by Invoice quantity
- Variation is Booked minus Estimated