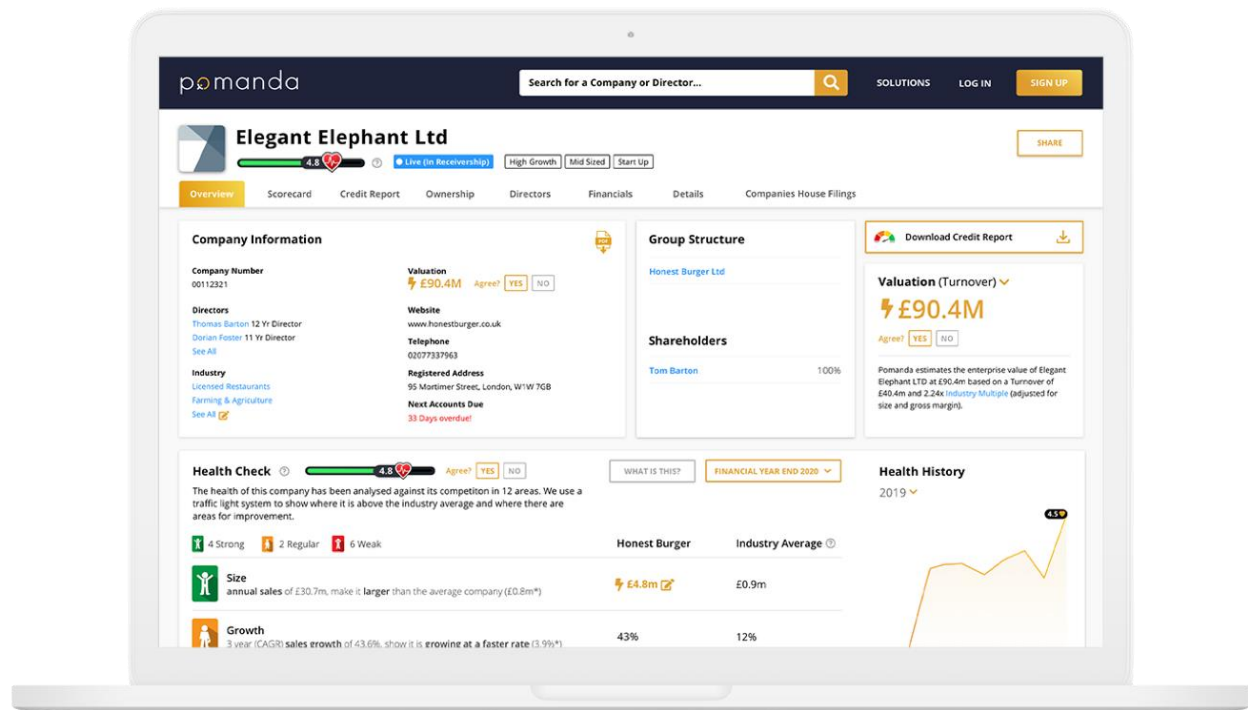




Company Health Check FAQs

A list of frequently asked questions about our
Company Health Check



Navigation

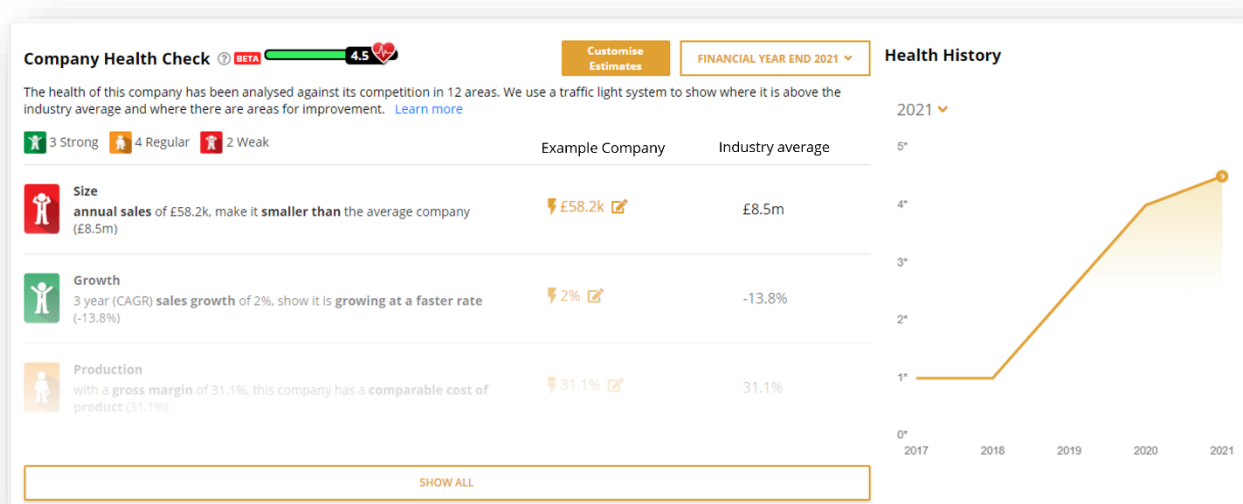
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What is the Pomanda Company Health Check?

Pomanda's Company Health Check analyses 12 key performance indicators for a company against industry data as a benchmark.

These key performance indicators give an overview of a business's strengths and weaknesses and highlight where potential improvements can be made.

The key performance indicators are used to calculate an overall rating for the business which can be tracked over time as improvements are made to that business.



Example of a Pomanda Company Health Check and trend over time

What are Pomanda's Estimates ⚡?

There are approximately 4.600,000 active companies in the UK (at the time of writing this document). Of those, only 220,000 file profit & loss information.

If a company doesn't meet certain thresholds, such as turning over more than £10.2m for more than 2 years running*, having more than 50 employees* and having a balance sheet total of more than £5.1m* then they don't have to file profit & loss information at Companies House. Most companies don't meet these thresholds, so don't file any profit and loss information.

This leaves an enormous amount of missing publicly available data on UK companies' turnover, operating profit, gross profit, staff costs, EBITDA etc.

The size of this missing data set presents a problem when identifying trends and key performance indicators across sectors.

Thanks to Pomanda's Estimates ⚡ for UK companies, it is now possible to understand profit & loss data for any UK company, regardless of whether they file it at Companies House.

**<https://www.gov.uk/government/publications/life-of-a-company-annual-requirements/life-of-a-company-part-1-accounts#small-company>*

How do I know I can rely on these Estimates - some of them don't seem right?

Here at Pomanda we're not big on getting things wrong but we appreciate that sometimes our estimates can be off the mark.

It's important to firstly note that our estimates are meant to give insight and provide guidance rather than be relied upon. Our estimates are calculated based on the balance sheet that smaller companies file at Companies House and are combined with our proprietary sector data.

What this means is that if a company's SIC classification isn't overly accurate neither will our estimates. Try updating the industry of the company to reflect the operations of the business and this should lead to improved accuracy.

Balance Sheets are only a snapshot in time of the company, if there has been an anomaly on the balance sheet or an unusual behaviour it will also throw off our estimates.

What are the Key Performance Indicators on the Health Check?

The table below gives an overview of the 12 KPIs that we calculate for each Health Check.



Size

A company with larger sales often has greater purchasing power and influence.



Growth

Is this company on the rise, standing still or declining? Pomanda looks at the company's growth rate over 3 years.



Production

A measure of gross margin (sales minus the cost of goods sold). Is there room to charge more for products or is the business charging too much compared to its peers?



Profitability

Is the company deploying its resources effectively and making the same profit margin as others in the industry?



Employees

From the information we have access to, do we think you are understaffed or overstaffed?



Pay Structure

How do salaries compare?



Efficiency

Amount of revenue generated per employee.



Debtor Days

Are your customers paying you within industry standard terms?



Creditor Days

Are you quick to pay your debts, slow or in line with the sector? How you manage your creditors is often key for cashflow.



Stock Days

How long a company is holding stock.



Cash Balance

A measure of liquidity. Does the company hold enough cash to sufficiently cover its upcoming costs.



Debt Level

A measure of how much a company owes compared to their total assets.

How are the Industry Averages calculated?

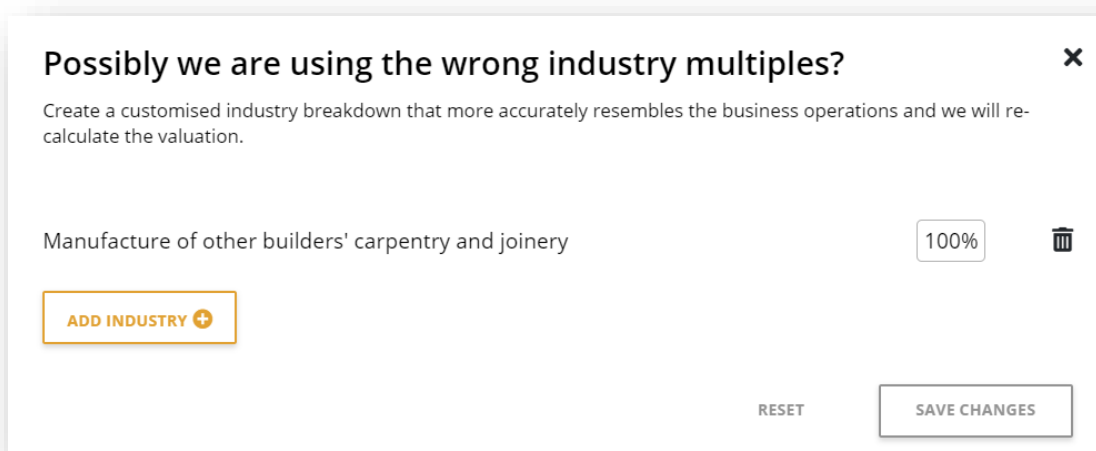
Pomanda uses industry averages to determine a Company's overall Company Health Check rating and the status of its key performance indicators.

The industry averages are calculated by looking at companies within a certain sector, or blend of sectors. When setting up a company, the Directors will allocate that company to a sector from a selection Standard Industrial Classification codes (SIC codes). We understand that there can be some discrepancies with this process - i.e., the Directors might not pick the best SIC code or the company might diversify over time, or that for some companies the industry breakdown might not relate to an industry at all (e.g., "Activities of Holding Companies").

For this reason, on the Health Check, we clearly display the Industry Breakdown for a company which shows the range of SIC codes that a company has filed under. Furthermore, we give registered users the ability to update the Industry Breakdown to better reflect what a particular company does.

Updating the Industry Breakdown will recalculate Pomanda estimated financial data, industry averages, key performance indicators and also the overall rating for that company.

Any changes to the default Industry Breakdown will only be visible on the account that the changes are made.



Possibly we are using the wrong industry multiples? ✕

Create a customised industry breakdown that more accurately resembles the business operations and we will re-calculate the valuation.

Manufacture of other builders' carpentry and joinery 100% 🗑️

[ADD INDUSTRY +](#)

[RESET](#) [SAVE CHANGES](#)

Industry breakdown example

Why did you make the Health Check?

Our mission is to give every business, regardless of size, access to critical company information. Whether you're a business owner, accountant or working professional, understanding how your company compares to its peers can give you a competitive advantage.

What does it mean for my business?

The key performance indicators show areas for potential improvement. For example, if your profitability is below average you might be paying too much for certain goods, services or admin expenses and it could be a good idea to revisit your costs. On the other hand, your debtor days might be higher than average, and it could be a good idea to look at solutions to get paid quicker.

Who is this Company Health Check for?

We made the Company Health Check for Business Owners, Financial Professionals or anyone who wants to get an instant overview of a particular company.

Can I alter the data?

Allowing a user to interact with the financial data is not currently available but we anticipate that it will be soon. You can only alter the Industry Breakdown at present.

How do I improve my rating?

There are multiple ways to improve your overall rating. The best way is to look at the key performance indicators that are below or in line with the industry averages and take measures to improve them.

Will my Company Health Check affect my credit rating?

No - this is a unique rating created by Pomanda and does not impact any businesses or individuals credit rating. However, the Company Health Check may help to highlight areas within a business that need improvement, in turn this should lead to a better credit rating.