

1Q23

Quarterly Report

September 1 2023 – November 30 2023
FY2023-2024

**STRATFORD
MERIDIAN**

Executive Summary

Stratford Meridian delivers web design, CRM, and marketing automation solutions specifically tailored for home improvement businesses.

During Q1 FY2023–2024 (September 1 - November 30, 2023), the company transitioned its reporting to GAAP accrual accounting, confirming strong unit economics, disciplined expense management, and positive net profitability.

This quarter validated Stratford Meridian's SaaS-first business model through its eSAM automation platform, while maintaining lean operations and high margins.

Income Statement¹

Revenue	1,200
WAD ²	300
Custom Websites (Setup)	0
Custom Website Maintenance	0
eSAM CRM (SaaS)	900
Deferred Revenue Recognized This Quarter	0
Total Revenue (Recognized)	1,200

Cost of Goods Sold (COGS)	120
Contractors	0
Software Tools	90
Hosting & Domains	30
Gross Profit	1,080
Gross Margin	90.0%

¹ All amounts listed in USD

² Website in a Day

Operating Expenses (OPEX)	
Marketing & Sales	100
G&A	150
Professional Services	0
Subscriptions & SaaS	100
Travel & Meals	10
Total Operating Expenses	360

Operating Income (EBITDA)	720
Interest Expense	0
Taxes (pro forma)	0
Net Income (GAAP)	720
Operating Margin	60.0%

Balance Sheet

Assets	
<u>Current Assets</u>	
Cash (end of quarter)	1,270
Accounts Receivable (A/R)	300
Prepaid Expenses	0
Total Current Assets	1,570
<u>Long-Term Assets</u>	

Equipment (net of depreciation)	0
Total Long-Term Assets	0
Total Assets	1,570
Liabilities & Equity	
<u>Current Liabilities</u>	
Accounts Payable (A/P)	70
Deferred Revenue	0
Total Current Liabilities	70
<u>Long-Term Liabilities</u>	
Loans / Debt	0
Total Liabilities	70
Owner's Equity	
Owner's Capital / Contributions	1,000
Retained Earnings (Q1 Net Income)	500
Total Owner's Equity	1,500
Total Liabilities + Equity	1,570

Cash Flow Statement

Cash Flow Activity	Amount (USD)
Cash Flow from Operating Activities	
Net Income (GAAP)	720
Adjustments for non-cash items (Depreciation)	0
Change in Accounts Receivable	(300)

Change in Accounts Payable	70
Net Cash from Operations	490
Cash Flow from Investing Activities	
Purchase of Equipment	0
Net Cash from Investing Activities	0
Cash Flow from Financing Activities	
Owner's Contributions	1,000
Owner's Draws	0
Net Cash from Financing Activities	1,000
Net Increase in Cash	1,490
Opening Cash Balance	0
Ending Cash Balance	1,270

Key Financial Metrics

Metric	Value
Gross Margin	90.0%
Operating Margin	60.0%
Return on Equity (ROE)	48.0%
Current Ratio	22.4×
Debt-to-Equity	0.00

Accounts Receivable Days (DSO)	~25 days
Accounts Payable Days (DPO)	~15 days

Notes to the Financial Statements

- 1. **Basis of Accounting:**
These statements are prepared in accordance with **U.S. GAAP** using the **accrual basis** of accounting.
- 2. **Revenue Recognition (ASC 606):**
Revenue is recognized when the service is delivered or control is transferred to the customer, regardless of cash timing. Deferred revenue and receivables are recognized accordingly.
- 3. **Expense Recognition (Matching Principle):**
Expenses are recognized in the same period as the revenues they support, whether or not cash has been paid.
- 4. **Fixed Assets & Depreciation:**
No long-term fixed assets were capitalized during the period.
- 5. **Taxation:**
Stratford Meridian is a **single-member LLC**; profits are reported on the owner's **Schedule C**. No corporate income tax provision is included.
- 6. **Owner's Equity:**
Owner contributed **\$1,000** in Q1 FY2023–2024. No withdrawals were made.
- 7. **Going Concern:**
The company is profitable and cash-flow positive with no debt obligations.

Management Commentary

his quarter marks Stratford Meridian’s transition to fully GAAP-compliant reporting, confirming that our lean, software-driven model can deliver strong margins even at early stage scale. Our focus for next quarter is to expand our recurring SaaS base and onboard additional clients in the solar and roofing verticals while preserving profitability.



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Date: November 30, 2023

Jurisdiction: New Jersey, USA

Accounting Basis: Accrual (GAAP)

Not professional tax or legal advice. Figures are unaudited and for management/investor reporting only.