Inter Office Memorandum

Name of student

Name of organization

**MEMO**

XYZ Company

Interoffice Memorandum

Date: November 6, 2019

To: Marketing Department

From: Finance Department

Subject: Components of Annual Report

An annual report has many sections which are combined together to be presented to many stakeholders. Normally, annual reports start with an overview of history of the company. This also includes the names and designation of the top management. Next section includes the highlights over a certain historic period e.g. five years. This may include graphs and other similar diagrams to show company performance. There is a letter to shareholders from the top management just before the financial statements of business. The financial statements include income statement, balance sheet, statement of cash flow and statement of owner’s equity. The notes to financial statements also form an integral part of the annual financial statements. The marketing personnel will be more interested in the data from income statement because it contains revenues and expenses. A comparative analysis of two or more annual statements will allow them to know the direction of sales and relative expenses. This analysis can be easily done with the most recent financial statement as it contains data for two years. Recently, an important aspect of the annual statements is the corporate social responsibility report of the company (Barten, 2019).

Yes, I think that all marketing staff should be able to talk about firms’ financial matters because the nature of their job requires direct interaction with the customers. When selling some product or even communicating with a prospective customer, marketing staff will be able to quote things related to financial performance of the company. They will also be able to answer some questions related to the financial performance of company in a better way. Another benefit of their financial literacy will be that they will know the impact of their efforts on company in a better way. Company officials attending meetings will be in a better position to communicate with the representatives from finance department during and after the meeting (Morphew, 2018).

ABC: Financial Analyst

Cc: All marketing staff

# **References**

Barten, L. (2019). *https://smallbusiness.chron.com/parts-annual-report-3779.html.* Retrieved from https://smallbusiness.chron.com: https://smallbusiness.chron.com/parts-annual-report-3779.html

Morphew, H. (2018, March 18). *https://www.cobizmag.com/Business-Insights/Why-Financial-Literacy-Should-Be-on-Every-Employers-Mind/.* Retrieved from https://www.cobizmag.com: https://www.cobizmag.com/Business-Insights/Why-Financial-Literacy-Should-Be-on-Every-Employers-Mind/