

Plan 3

(Business VCERT)

Week	In Class Topics	Homework	Project Tasks	Resources
W/C 20/3	<ul style="list-style-type: none"> Starting section 5 of the coursework project. <p>Taught topics:</p> <ul style="list-style-type: none"> Sources of finance Financial concepts such as revenue, profit, gross profit and net profit calculations Cash flow management <p>Tuesday lesson will be theory only.</p> <p>Wednesday P3 and P4 will be write up of the project on computers.</p>	<p>Set on Wednesday 16th and due on Wednesday 22nd.</p> <p>Completing a cash flow forecast.</p> <p>Identifying what possible inflows and outflows a gym may have.</p>	<p>Analysing the sources of finance KC GYMS could use and have previously used.</p> <p>Calculating and analysing the different financial indicators for KC GYMS.</p> <p>Creating a cash flow forecast for KC GYMS.</p>	<p>Revision on cash flow forecast: https://www.bbc.co.uk/bitesize/guides/zfjhxyc/revision/4</p> <p>Revision of sources of finance: https://www.bbc.co.uk/bitesize/guides/zxn2dxs/revision/1</p> <p>Familiarising yourself with the gym industry using the internet.</p>

W/C 27/3	<p>Taught topics:</p> <ul style="list-style-type: none"> Financial ratios, such as current ratio, acid test ratio, ROCE. Break even analysis <p>Then applying this knowledge to KC Gyms.</p> <p>Tuesday lesson will be theory only.</p> <p>Wednesday P3 and P4 will be write up of the project on computers.</p>	<p>Set on Wednesday 22nd and due on Wednesday 30th.</p> <p>Calculation practice of the calculations learnt in the prior two lessons.</p>	<p>Calculating financial ratios for KC Gyms and analysing what these figures means and the impact these have. Calculating the break even point for KC Gyms and then identifying possible threats and opportunities from this information.</p>	<p>Revision on financial concepts: https://www.bbc.co.uk/bitesize/guides/z7kpt39/revision/1</p> <p>Revision on analysing the financial performance of a business: https://www.bbc.co.uk/bitesize/guides/z6p892p/revision/1</p>
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Homework week 1:

	All figures in £			
	July	August	September	October
Cash in from sales	10 000	15 000	27 000	21 000
Cash outflows:				
Manufacturer	35 000	10 000	0	0
UK salaries	4 000	4 000	4 000	4 000
Advertising	2 000	2 000	1 000	1 000
Other expenses	1 000	1 000	1 000	1 000
Total cash outflows	42 000	17 000	6 000	6 000
Net cash flow	(32 000)		21 000	15 000
Opening balance	5 000			(8 000)
Closing balance	(27 000)	(29 000)	(8 000)	

() indicate a negative amount

Monthly Balance = Cash inflow – Cash outflow

Closing Balance = Opening balance – Monthly Balance

Net cash flow = cash inflows – cash outflows

1. Complete the net cash flow for August
2. Complete the opening balance for August
3. Complete the opening balance for September
4. Complete the closing balance for October.
5. How is the business currently performing? **USE FIGURES.**
6. What cash inflows may a gym have?
7. What cash outflows may a gym have?

Homework 2: Complete the margins for the statement below, then complete the income statement on the next page.

Example Company Ltd		
Income Statement	2015	2014
Year Ended 31 December	£'000	£'000
Revenue	21,450	19,780
Cost of sales	13,465	12,680
Gross profit	7,985	7,100
Distribution costs	3,210	2,985
Administration expenses	2,180	1,905
Operating profit	2,595	2,210
Finance costs	156	120
Profit before tax	2,439	2,090
Tax expense	746	580
Profit attributable to shareholders	1,693	1,510

Gross Profit Margin = gross profit / sales revenue x 100

Operating Profit Margin = operating profit / sales revenue x 100

Net profit margin = profit for the year / sales revenue x 100

Income statement

Cunliffe's café Ltd. needs to set up an income statement to determine how profitable the business has been this year. Review over the following financial information and calculate the income statement for his business:

Sales for this pasty shop were as follows:

24,500 Meat and Potato Pies at £1.85

11,800 Sausage rolls at £1.30

4,000 Steak and Kidney Pies at £1.95

2,000 pizza slices at £2.75

1,500 packets of crisps at 65p

Purchases for the pasty shop were as follows:

300 boxes of frozen sausages at £35 each

55 boxes of crisps at £10.50 each

2000 packets of prepared dough at £3.75 each

Meat for pies: £10,630

Toppings and tomato base: £750

Additional expenses for the takeaway:

Wages - £8,850

Rent - £11,500

Advertising - £850

Insurance - £1,475

Vehicle - £5,450

Telephone - £1,125

Utilities - £6,850

Limited company data:

Dividends - £2,000

Taxation - £6,000

Income statement	
	£
Sales	
Cost of Sales	
Gross profit	
Expenses/Overheads	
Total Expenditure	
Operating Profit	
Tax and payments	
Net Profit	