



Financial Report One for SWEng Group Three (SG3) Enterprise

Written by the Finance Manager for SWEng Group Three Enterprise.

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Foreword:

This Financial Report has been submitted in the knowledge that our Financial Business Plan has not yet been approved. It is assumed the first loan payment will occur during the week of Monday 19/2/2018. This is not therefore present in the Cash Flow Statement to Sunday 18/2/18, the previous Sunday.

Introduction:

This document is the First Financial Report for our group and contains a Cash Flow Statement for the reporting period 8/01/2018 to 12/02/18 displaying forecast values, actual values, and any variances. It also includes data comparing actual and forecast hours per week per group member and per group member per task.

Our group's adherence to forecast hours and explanations for any significant variance are also provided.

Information Assumptions:

For our cash flow statement, the following assumptions have been made:

- The cut-off date for this report is 18/2/18 (the Sunday pre the Monday 19/2/18), as our timesheets run from the Monday of a week for 7 days (if the cut-off date was set differently, there would be insufficient information to analyse the week of 19/02/18).
- All data used has been rounded to 2 decimal places.
- Most numbers can be rounded to the nearest penny and Interest is not an overhead.
- The "app development" activity in the Work Breakdown Structure includes the time taken to write the code being sold to other groups or companies.
- No costs other than those in the Finance Briefing Notes are to be considered (for example, costs of advertising are to be ignored because the product does not have a release date.)

Cash Flow for SWEng Group Three Enterprise During the Reporting Period 8/01/18 to 18/02/18:

Week Commencing	Spring Term											
	1			2			3			4		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance
£												
Income												
Estimated Contracts In	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses												
Estimated Wages Accrued												
Alex B	0.00	0.00	0.00	84.38	69.38	75.00	37.50	-37.50	162.50	93.75	-68.75	62.50
Alex F	0.00	0.00	0.00	56.25	343.75	287.50	206.25	68.75	268.75	31.25	-237.50	43.75
Jack	0.00	0.00	0.00	50.00	287.50	125.00	96.88	-28.12	93.75	131.25	37.50	206.25
Jeremy	0.00	0.00	0.00	171.88	146.88	153.13	171.88	18.75	131.25	181.25	50.00	115.63
Kevin	0.00	0.00	0.00	25.00	25.00	93.75	25.00	-68.75	37.50	12.50	-25.00	50.00
Marco	0.00	0.00	0.00	25.00	131.25	106.25	25.00	-12.50	134.38	200.00	65.62	59.38
Miranda	0.00	0.00	0.00	62.50	150.00	165.63	381.25	215.62	337.50	475.00	137.50	290.63
St. John	0.00	0.00	0.00	62.50	156.25	93.75	100.00	56.25	68.75	231.25	162.50	75.00
Estimated Total Wages Accrued	0.00	0.00	0.00	331.25	1375.01	1043.76	887.51	212.50	1234.38	1356.25	121.87	903.14
Estimated Wages Paid												
Alex B	0.00	0.00	0.00	0.00	0.00	25.00	84.38	59.38	75.00	37.50	-37.50	162.50
Alex F	0.00	0.00	0.00	0.00	0.00	56.25	343.75	287.50	137.50	206.25	68.75	268.75
Jack	0.00	0.00	0.00	0.00	0.00	50.00	287.50	237.50	125.00	96.88	-28.12	93.75
Jeremy	0.00	0.00	0.00	0.00	0.00	25.00	171.88	146.88	153.13	171.88	18.75	131.25
Kevin	0.00	0.00	0.00	0.00	0.00	25.00	25.00	25.00	37.50	25.00	-68.75	37.50
Marco	0.00	0.00	0.00	0.00	0.00	25.00	131.25	106.25	37.50	25.00	-12.50	134.38
Miranda	0.00	0.00	0.00	0.00	0.00	62.50	150.00	87.50	165.63	381.25	215.62	337.50
St. John	0.00	0.00	0.00	0.00	0.00	62.50	156.25	93.75	100.00	156.25	56.25	68.75
Estimated Total Wages Paid	0.00	0.00	0.00	0.00	0.00	331.25	1375.01	1043.76	887.51	1100.01	212.50	1234.38
Estimated Contracts Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan with Interest (For Calculation Purposes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rent Accrued	632.69	632.69	0.00	632.69	632.69	0.00	632.69	0.00	632.69	632.69	0.00	632.69
Rent Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,530.76	2,530.76	0.00	0.00	0.00
Utilities Accrued	50.00	50.00	0.00	50.00	50.00	0.00	50.00	0.00	50.00	50.00	0.00	50.00
Utilities Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT Infrastructure Accrued	100.00	100.00	0.00	100.00	100.00	0.00	100.00	0.00	100.00	100.00	0.00	100.00
IT Infrastructure Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Total Overhead Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,530.76	2,530.76	0.00	0.00	0.00
Total Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,418.27	3,418.27	1,212.50	1,234.38	1,356.25
Bank Balance												
Opening Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-331.25	-331.25	-1,043.76	-3,749.52	-5,005.78
Net Cashflow	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-331.25	-331.25	-1,043.76	-3,749.52	-5,005.78
Closing Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,375.01	-1,375.01	-4,047.52	-7,249.04	-10,011.56

Table Comparing Actuals and Forecast Labour Hours Per Person, including Percentage Differences:

Group Member	15/1/18		22/1/18		29/1/18		5/2/18		12/2/18	
	Forecast Hours	Actual Hours	Forecast Hours	Actual Hours	Forecast Hours	Actual Hours	Forecast Hours	Actual Hours	Forecast Hours	Actual Hours
Alex B	10.5	2	2	6	16	13	30	5	30.5	4.5
Alex F	27.5	4.5	16.5	11	2.5	21.5	7	3.5	6.75	10.25
Jack	23	4	7.75	10	10.5	7.5	26.25	16.5	26.25	17.75
Jeremy	13.75	2	13.75	12.25	14.5	10.5	9.75	9.25	9.5	13.5
Kevin	12	2	30.5	7.5	38	3	32.5	4	31.25	4.5
Marco	6.75	2	3	3	7.5	10.75	19.5	4.75	19	18.5
Miranda	4	5	2	13.25	1	27	17	23.25	17	31.75
St.John	12.5	5	12.5	8	18.5	5.5	13.75	6	12.5	13
Total	110	26.5	88	71	108.5	98.75	155.75	72.25	152.75	113.75
Variance In Total Group Hours (%)		76.00%		19.00%		9.00%		54.00%		26.00%

Group Member	15/1/18		22/1/18		29/1/18		5/2/18		12/2/18	
	Forecast Cost	Actual Cost	Forecast Cost	Actual Cost	Forecast Cost	Actual Cost	Forecast Cost	Actual Cost	Forecast Cost	Actual Cost
Alex B	£131.25	£25.00	£25.00	£75.00	£200.00	£162.50	£375.00	£62.50	£381.25	£56.25
Alex F	£343.75	£56.25	£206.25	£137.50	£31.25	£268.75	£87.50	£43.75	£84.38	£128.13
Jack	£287.50	£50.00	£96.88	£125.00	£131.25	£93.75	£328.13	£206.25	£328.13	£221.88
Jeremy	£171.88	£25.00	£171.88	£153.13	£181.25	£131.25	£121.88	£115.63	£118.75	£168.75
Kevin	£150.00	£25.00	£381.25	£93.75	£475.00	£37.50	£406.25	£50.00	£390.63	£56.25
Marco	£84.38	£25.00	£37.50	£37.50	£93.75	£134.38	£243.75	£59.38	£237.50	£231.25
Miranda	£50.00	£62.50	£25.00	£165.63	£12.50	£337.50	£212.50	£290.63	£212.50	£396.88
St.John	£156.25	£62.50	£156.25	£100.00	£231.25	£68.75	£171.88	£75.00	£156.25	£162.50
Total	£1,375.01	£331.25	£1,100.01	£887.51	£1,356.25	£1,234.38	£1,946.89	£903.14	£1,909.39	£1,421.89
Variance In Total Group Hours (%)		76.00%		19.00%		9.00%		54.00%		26.00%

The above hours used can be found in Appendix A, an excel document containing spreadsheets per week that display the hours each group member worked for that week and per task. Two analysis sheets as accompanying charts are also provided. These have also been used in the following analysis of our data.

However, due to the way in which Microsoft Project rounds hours for tasks, the total hours forecast for all tasks for a particular week does not equal the total hours forecast for all group members for that week. The latter summation was used and the following table displays the discrepancy.

Table Reconciling the Forecast Labour Hours of the Financial Business Plan and the Rounded Work Breakdown Structure (Per Task)							
Week	1	2	3	4	5	6	Total Up To
Commencing Date of Week	08/01/2018	15/01/2018	22/01/2018	29/01/2018	05/02/2018	12/02/2018	18/02/2018
Forecast from Financial Business Plan							
Alex F-QA & Documents Manager	0	27.5	16.5	2.5	7	6.75	60.25
Alex B-Multimedia and Content Manager	0	6.75	3	7.5	19.5	19	55.75
Jack-Software Manager	0	23	7.75	10.5	26.25	26.25	93.75
Jeremy-Design Manager	0	13.75	13.75	14.5	9.75	9.5	61.25
Kevin-GUI Developer	0	4	2	1	17	17	41
Marco-Project Manager	0	10.5	2	16	30	30.5	89
Miranda-Finance Manager	0	12	30.5	38	32.5	31.25	144.25
St.John-Marketing Manager	0	12.5	12.5	18.5	13.75	12.5	69.75
Total for Group	0	110	88	108.5	155.75	152.75	615
Forecast from WBS: Per Task							
Meetings	0	8	8	8	8	8	40
Documentation	0	73.75	18.5	26.75	28	25.25	172.25
Finance	0	0	22.5	22.5	18.75	18.75	82.5
Research and Design	0	28	38.75	37.45	0	0	104.2
Development	0	0	0	13.5	101	101	215.5
Deliverables	0	0	0	0	0	0	0
Total for all Tasks	0	109.75	87.75	108.2	155.75	153	614.45

Analysis of Group Adherence to Forecast Labour Hours:

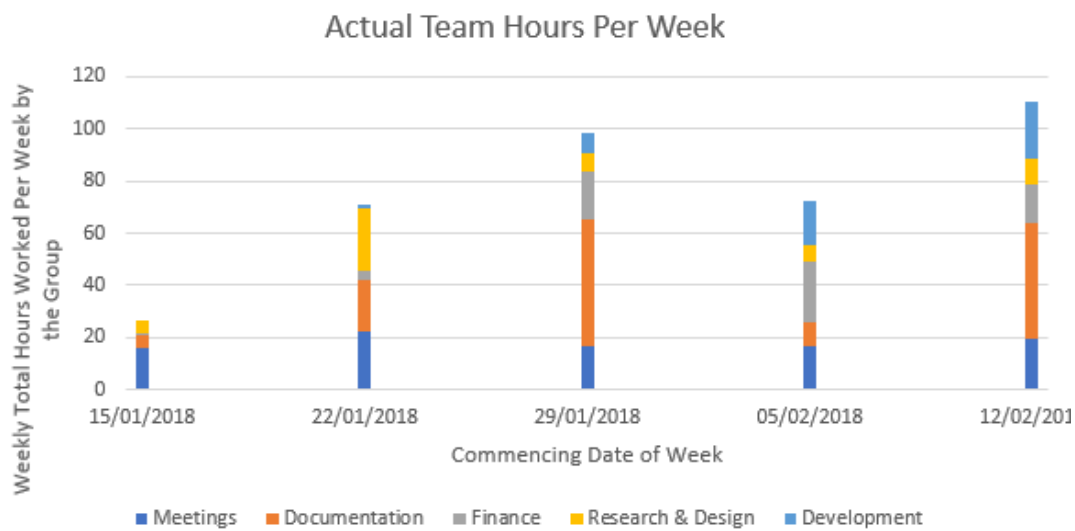


Figure One: Stacked Column Chart of Actual Team Hours Per Week

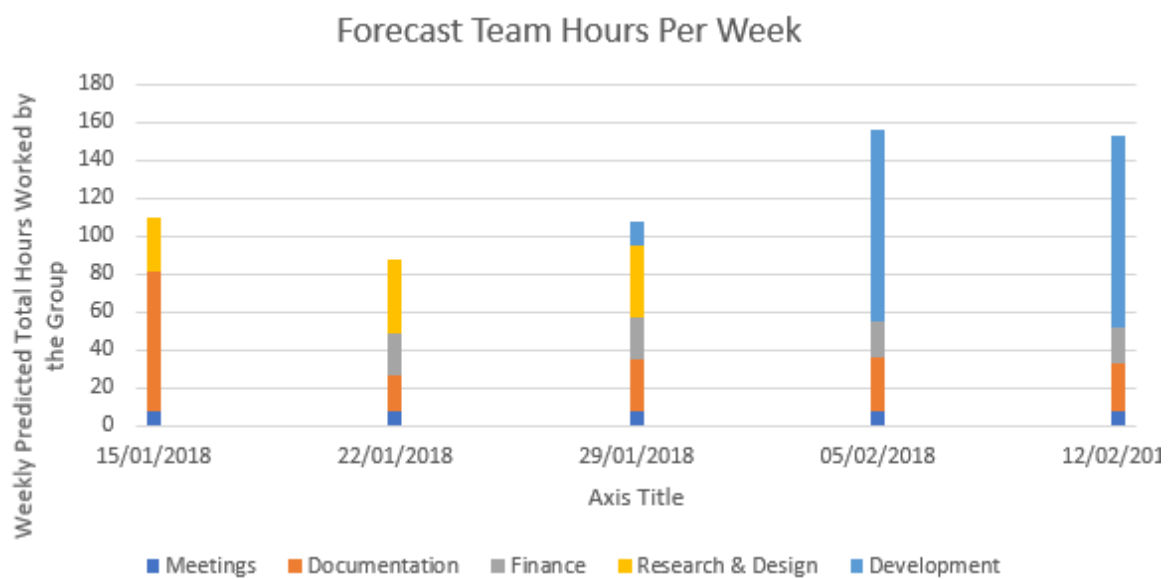


Figure Two: Stacked Column Chart of Forecast Team Hours Per Week

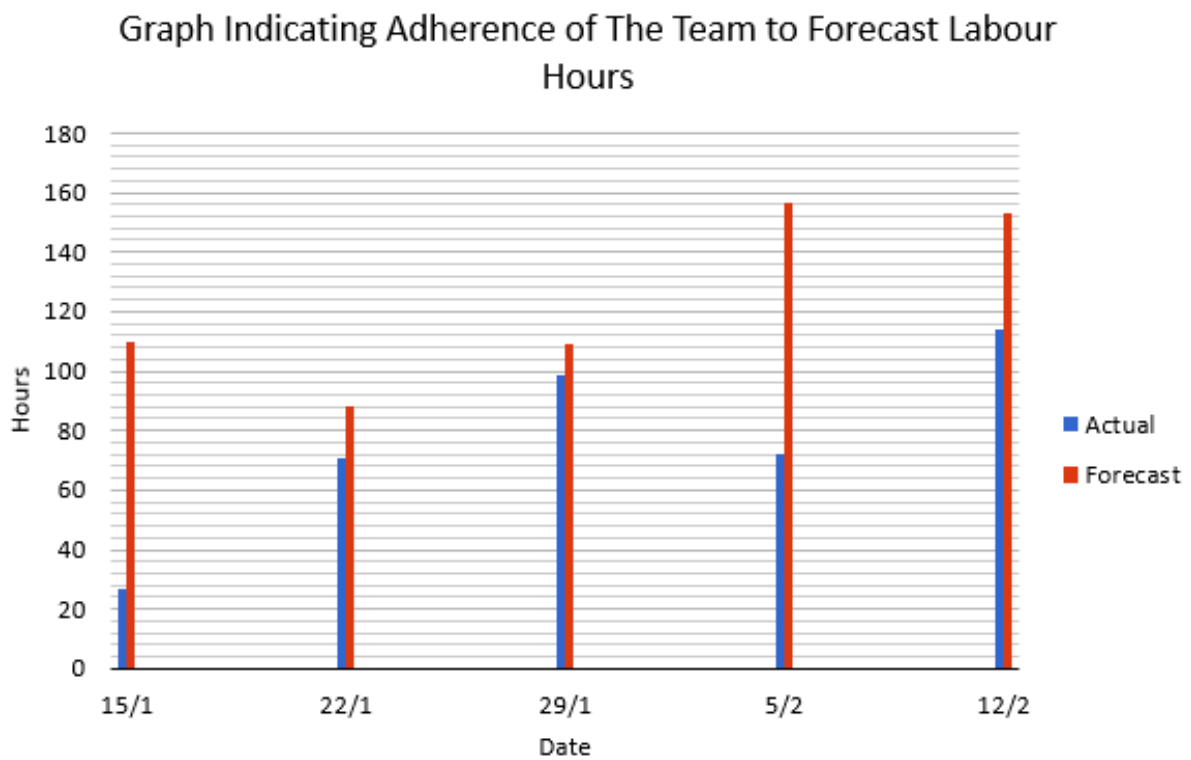


Figure Three: Cluster Column Chart of Actual Weekly Team Hours Compared to Forecast Weekly Team Hours.

Comments and Explanations for Each Week:

Throughout the Current Reporting Period:

- It is clear from the above charts, as well as our cash flow, that the hours we have worked are significantly less than those forecast. This is due to an automatic process on Microsoft Project when it comes to distribution of hours, by which we are allocated more hours than we need at this point in the development phase. However, these hours will be 'used' later on in the development phase of our product, where more programming will be executed (the task which we believe will take the most time).

15/01/18 to 21/01/18:

- This week is the week in which there is the most significant difference in hours, as shown by Figure 1. This is because fewer hours were spent on Research and Design and Documentation.
- This week was also spent mostly on role allocation and coming to a decision about the product we wanted to create. Therefore, minimal time was spent on tasks related to documentation.
- But research did begin for our chosen product's market and potential sources of income in this period. This helped our group come to a fully informed decision.

22/01/18 to 28/01/18:

- During this week the hours were more similar, although there was still a relatively significant difference, as Figures 1 and 2 indicate. Less time was also spent on Finance this week than forecast.
- The difference between actual and forecast here is mainly due to the Finance Manager spending more time researching into income sources such as adsense in order to be prepared for Financial Business Plan deadlines and presentations.

29/01/18 to 4/02/18:

- During this week the hours were most similar in total, with a variance of less than 10%.
- The first deadline for our group was towards the end of this week. This indicates that for weeks with deadlines our forecast hours are reassuringly accurate.

5/02/18 to 11/02/18:

- As mention earlier, this is when Microsoft Project begins to allocate hours sooner than actually required, simply because it would now, upon approval of the Financial Business Plan, be possible to start creating the software for our product, a task which was begun by some members of our team. (Others have spent time conducting further research into the product's market or completing the QA manual).
- By 2/02/18, a WBS and Gantt chart was discovered as required for the Financial Business Plan to forecast the labour hours of our group on a weekly basis This document took until approximately halfway through this week to complete due to technical issues with Microsoft Project Software. Therefore, some group members were unable to begin work on software development tasks this week.

12/02/18 to 18/02/18:

- This week produced a similar situation to the previous week where there were hours allocated for the software development task sooner than the entire group could focus on it.
- This week was spent by some group members, such as the Software Manager and GUI Developer, starting to program the server and working with Android Studio to create a user interface.
- The Group Tender Presentation finally required more attention than predicted. Following Financial Adviser feedback, our Financial Business was re-submitted with amended WBS and Gantt Charts. This entailed more time spent on documentation, finance, and meetings than forecast. This unforeseen expense has not led to us exceeding our forecast total hours.

Summary:

- SWEng Group Three (SG3) Enterprise is currently within budget, and is working efficiently and dealing with unforeseen events.
- Our group predicts that the next Financial Report will more accurately indicate our adherence to forecasted weekly labour hours (more time will by then have been dedicated to software development).