Financial Report Two



Financial Report Two for SWEng Group Three (SG3) Enterprise

Written by the Finance Manager for SWEng Group Three Enterprise.

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Introduction:

This document is the second 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 total and subtotal 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 variances are provided.

Information Assumptions:

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

- The cut-off date for this report is 4/03/18 ie: up to the end of week 8 for the Spring Term (the Sunday before the Monday 5/03/18), 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 5/03/18).
- 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 considered (for example, costs of advertising are ignored because the product does not have a release date).
- The future weeks in which the handover of code and the acceptance of code for contracts in and out have been predicted, as in the Financial Business Plan, to be in weeks 9 and 10 of the Spring Term.

Cash Flow for SWEng Group Three Enterprise During the Reporting Period 8/01/18 to 4/03/18 (See Appendix A for Excel Document):

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	Net Cashriow Closing Balance	upening balance	Variance Until Dividing Line	Closing Balance	Net Cashflow	Opening Balance	Forecast Until Dividing Line	Closing Balance	Net Cashflow	Opening Balance	Ĭ	Bank Balance	Total Expenses	Estimated Total Overhead Cost	IT Infrastructure Paid	IT Infrastructure Accrued	Utilities Paid	Utilities Accrued	Rent Paid	Rent Accrued	Purposes)	Loan With Interest (For Calculation	Estimated Interest	Total Contracts Out	Contract with 'Slmol a'	Contract like all carried	Jack-Software Manager	St.John-Marketing Manager	Kevin-GÜL Developer/Manager	Alex B-Multimedia & Content Manager	Miranda-Finance Manager	Jeremy-Design Manager	Jack-Software Manager	Alex F-QA & Documents Manager	Marco-Project Manager	(Estimated) Wages Paid	repeated formation of the second control of	Kevin-GUI Developer/Manager	Alex B-Multimedia & Content Manager	Miranda-Finance Manager	Jeremy-Design Manager	Jack-Software Manager	Marco-Project Manager	Estimated Wages Accrued		Total Income	Estimated Loan	Total Contracts In	Contract with 'Simple'		Income		Week Commencing		
	88	0.00	980	0.00	0.00	0.00		0.00	0.00	0.00			0.00	0.00	0.00	100.00	0.00	50.00	0.00	632.69	0.00	0.00	000	000	000	000	0.00	0.00	0.00	000	0.00	0.00	0.00	0.00	0.00	0.00	000	0.00	0.00	0.00	0.00	000	000			0.00	0.00	000	98	900		25	8/1/2018	-	
l	000	0.00	98	0.00	0.00	0.00		0.00	0.00	0.00			0.00	0.00	0.00	100.00	0.00	50.00	0.00	632.69	0.00	0.00		000	000		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	02.100	321.36	62.50	25.00	25.00	25.00	50.00	56.25	3			0.00			98		33	15/1/2018	_	
	1043.76	0.00	98	-1,375.01	-1,375.01	0.00		-331.25	-33125	0.00				0.00		100.00	0.00	50.00	0.00	632.69	0.00	0.00	000	000	0.00	000	331.20	62.50	62.50	25.00	25.00	25.00	50.00	56.25	25.00	007.01	997.51	165.63	37.50	93.75	153.13	125.00	137.50	4		0.00	0.00	0.00	000	200		3	22/1/2018	٥	,
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	-2.421.88	01,070,10	4 070 40	-9,208.92	-2,846.89	-6,362.03		-6,787.04	-1,803.14	-4,983.90			▮.			Γ	Ī.,	Г	Γ	632.69	0.00			000	T		303.19	Ι	290.63		50.00					1,421,00	Τ	Т	231.25		168.75		12813	Γ			0.00			T		₽	12/2/2018		opring Term
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								12,932.88	-4,254.23	17,187.11			1	2,498.07	Ι`	Ī			<u></u>	632.69	30,180.75	T	T	30.00	T	Ī	1,660.60	Γ		Γ	309.38	Γ				177.00	T		150.00		106.25		234.38	Γ			0.00					ш	12/3/2018	ā	;
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								9,344.06 8,7	31.96	10,376.02 9,3	-			0.00		00.00	0.00	50.00	0.00	12.69		-	9133		0.00	8	390.53		87.50	12.50	125.00	7.50	375.00			01.010		7.50	112.50	62.50	37.50	5.00	37.50	8		00	00	000	8 8	ŝ		Ш	2/4/2018 9/	ŀ	
								374.32 2	969.74	9,344.06 8			969.74	0.00	0.00	100.00	0.00	50.00	0.00	l	30,545.53 5	ł	9181	8	3 8	3	878.15	37.50	87.50	112.50	62.50	37.50	375.00	37.50	128.13	101,20	49126	87.50	65.63	62.50	37.50	25.00	37.50			٦.	0.00	000	8 8	ŝ	$\frac{1}{1}$	Ш	9/4/2018 16	-	
								7,801.18	19,426.86	8,374.32	1		573.14	0.00	000	100.00	0.00	50.00	00		50,637.41	-	92 5	8	8 8	8	421.26	37.50	87.50	65.63	62.50	37.50	25.00	37.50	128.13	040.00	00.30	12.50	81.25	87.50	62.50	25.00	8250		-	20,000.00	00.00	0.00	8 8	9	-	1	16/4/2018	ŀ	
								27,001.98		27,801.18			799.20	0.00	000	100.00	000	50.00	0.00	ı	50,789.73		5232	000	000		545.88	62.50	112.50	81.25	87.50	62.50	25.00	62.50	153.13	040.00	00.30	112.50	81.25	87.50	62.50	25.00	82.50		-	00	0.00	000	3 8	3	-	140	23/4/2018	Forecast	
								26,202.32	-799.66	27,001.98			799.66	000	00	100.00	00	50.00	0.00	П	50,942.51	-	52.78	8	9 9		545.88	62.50	112.50	81.25	87.50	62.50	25.00	62.50	153.13	010.10	910.76	106.25	68.75	118.75	59.38	175.00	153.75	-	-	00	00	000	8 8	200	-	p.	30/4/2018	٥	, -
								20,068.80	-6,133.52	26,202.32			6,133.52	5,061.52	0.00	100.00	0.00	50.00	5,061.52	632.69	51,095.75		153.24	000	0.00	3	318.76	87.50	106.25	68.75	118.75	59.38	175.00	143.75	159.38	(100.14	15214	98.88	50.00	278.13	53.13	250.00	175.00		-	0.00	0.00	000	3 8	3		PP.	7/5/2018	-	.
								18,761.96	-1,306.84	20,068.80			1,306.84	000	0.00	100.00	0.00	50.00	0.00	632.69	51,249,45		153.70	98	000	9	1,153,19	12.50	96.88	50.00	278.13	53.13	250.00	175.00	137.50	070.14	97914	25.00	96.88	278.13	78.13	93.75	25.75	3		0.00	0.00	000	8 8	900		₽	14/5/2018	٥	Summer Term
								16,229.66	-2,532.30	18,761.96			11	1,500.00	1	1		50.00		632.69	51,403.61		54.6	000	000	000	878.19	187.50	25.00	96.88	278.13	78.13	93.75	25.00	93.75	1,000.04	108864	25.00	121.88	225.00	103.13	18.75	84.38			0.00	0.00	0.00	000	28		140	21/5/2018		Term
								13,111.33	-3,118.33	16,229.66	1			1,898.07		l	0.00	50.00	1,898.07		51,558.23				000				l				118.75						ı	ΙI	- 1		309.38	1			0.00						28/5/2018		,
								11,712.47	-1,398.86	13,111.33			1,398.86	000	0.00	100.00	0.00	50.00	0.00	632.69	51,713.32		155.09		000		1,245.77	156.25	25.00	15.63	25.00	103.13	112.50	309.38	396.88					П			46.88			000	0.00	000	88	9		ш	4/6/2018	۰	
								11,425.66	-286.81	11,712.47				0.00				50.00	0.00	l	51,868.87				0.00								6.25										0.00			0.00	0.00	0.00				Ш	11/6/2018	G	
								8,771.57	-2,654.09	11,425.66				2	Ι.		200.00			l	52,024.89				0.00								0.00					0.00					0.00				0.00					ш	18/6/2018	ā	;

Some Notes on the Cash Flow:

- Although the actual hours used in the first financial report were erroneous in dispersion. This has now been corrected in this report's actual hours.
- The dividing line between the actual and forecast values in the cash flow (as shown by the vertical bold red line in the cash flow) indicates that the actual values are from 8/01/18 to 4/03/18, and that the forecast values are from 5/03/18 until the end of the development cycle for our product.
- The forecast wages paid in week 9 are the actual accrued wages in week 8, since this cash flow is meant to utilise our forecast accurately to predict our closing balance at the end of the development cycle.
- The loan has been approved to cover from week 8, one week later than envisaged. Loan interest has been adjusted accordingly.

<u>Table Comparing Actuals and Forecast Labour Hours Per Person, including Percentage Differences:</u>

		/1/18	22/	1/18	29/	1/18	5/.	2/18	12	/2/18	19/02	2/2018		2/2018	
	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	
Role	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	
Alex B	2	6.75	6	3	13	7.5	5	19.5	4.5	19	7.75	18.25	4.25	18.25	
Alex F	4.5	27.5	11	16.5	21.5	2.5	3.5	7	10.25	6.75	14.5	7.25	6.5	7.25	
Jack	4	23	10	7.75	7.5	10.5	16.5	26.25	17.75	26.25	35	27.25	26.75	27.25	
Jeremy	2	13.75	12.25	13.75	10.5	14.5	9.25	9.75	13.5	9.5	4.25	8.5	9	8.5	
Kevin	2	4	7.5	2	3	1	4	17	4.5	17	7	18	3	18	
Marco	2	10.5	3	2	10.75	16	4.75	30	18.5	30.5	13.25	20.5	2.5	20.5	
Miranda	5	12	13.25	30.5	27	38	23.25	32.5	31.75	31.25	28.5	22.5	23	27.5	
St.John	5	12.5	8	12.5	5.5	18.5	6	13.75	13	12.5	11.5	8.75	12.5	8.75	
Total	26.5	110	71	88	98.75	108.5	72.25	155.75	113.75	152.75	121.75	131	87.5	136	
Percentage Difference (%)		76.00%		19.00%		9.00%		54.00%		26.00%		7.00%		36.009	
	15	/1/18	22/	/1/18	29/	1/18	5/.	2/18	12	/2/18	19/02	2/2018	26/02/2018		
	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	
Role	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	Wages	
Alex B	25	84.38	75	37.5	162.5	93.75	62.5	243.75	56.25	237.5	96.88	228.13	53.13	228.13	
Alex F	56.25	343.75	137.5	206.25	268.75	31.25	43.75	87.5	128.13	84.38	181.25	90.63	81.25	90.63	
Jack	50	287.5	125	96.88	93.75	131.25	206.25	328.13	221.88	328.13	437.5	340.63	334.38	340.63	
Jeremy	25	171.88	153.13	171.88	131.25	181.25	115.63	121.88	168.75	118.75	53.13	106.25	112.5	106.25	
Kevin	25	50	93.75	25	37.5	12.5	50	212.5	56.25	212.5	87.5	225	37.5	225	
Marco	25	131.25	37.5	25	134.38	200	59.38	375	231.25	381.25	165.63	256.25	31.25	256.25	
Miranda	62.5	150	165.63	381.25	337.5	475	290.63	406.25	396.88	390.63	356.25	281.25	287.5	343.75	
St.John	62.5	156.25	100	156.25	68.75	231.25	75	171.88	162.5	156.25	143.75	109.38	156.25	109.38	
Total	331.3	1375.01	887.51	1100.01	1234.38	1356.25	903.14	1946.89	1421.9	1909.39	1521.89	1637.52	1093.76	1700.02	
Percentage Difference (%)		76.00%		19.00%		9.00%		54.00%		26.00%		7.00%		36,009	

The above hours used can be found in Appendix B, an excel document containing spreadsheets per week that display the hours each group member worked for that week and per task. Two analysis sheets and 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. The following table displays how this discrepancy can affect reporting, for example: for forecast hours.

Veek	1	2	3	4	5	6	7	8	Total Up To
Commencing Date of Week	08/01/2018	15/01/2018	3	-			,		4/3/18
Forecast from Financial Business Plan									
Alex F-QA & Documents Manager	0	27.5	16.5	2.5	7	6.75	7.25	7.25	74.75
Alex B-Multimedia and Content Manager	0	6.75	3	7.5	19.5	19	18.25	18.25	92.25
Jack-Software Manager	0	23	7.75	10.5	26.25	26.25	27.25	27.25	148.25
Jeremy-Design Manger	0	13.75	13.75	14.5	9.75	9.5	8.5	8.5	78.25
Kevin-GUI Developer	0	4	2	1	17	17	18	18	77
Marco-Project Manager	0	10.5	2	16	30	30.5	20.5	20.5	130
Miranda-Finance Manager	0	12	30.5	38	32.5	31.25	22.5	27.5	194.25
St. John-Marketing Manager	0	12.5	12.5	18.5	13.75	12.5	8.75	8.75	87.25
Total For Group	0	110	88	108.5	155.75	152.75	131	136	882
orecast from WBS:Per Task									
Meetings	0	8	8	8	8	8	16	16	72
Documentation	0	73.75	18.5	26.75	28	25.25	0	0	172.25
Finance	0	0	22.5	22.5	18.75	18.75	13.75	18.75	115
Research and Design	0	28	38.75	37.45	0	0	0	0	104.2
Development	0	0	0	13.5	101	101	100.59	100.59	416.68
Deliverables	0	0	0	0	0	0	0	0	(
Total For All Tasks	0	109.75	87.75	108.2	155.75	153	130.34	135.34	880.13

Analysis of Group Adherence to Forecast Labour Hours:

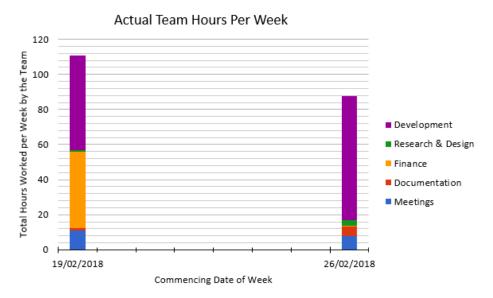


Figure One: Stacked Column Chart of Actual Team Hours Per Week

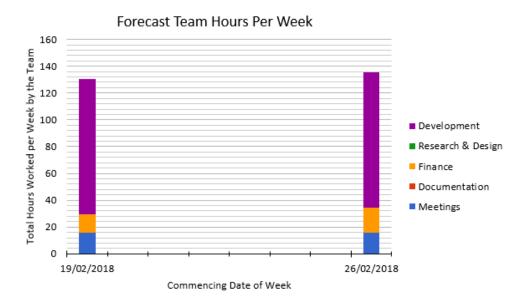


Figure Two: Stacked Column Chart of Forecast Team Hours Per Week

Graph Indicating Adherence of The Team to Forecast Labour Hours

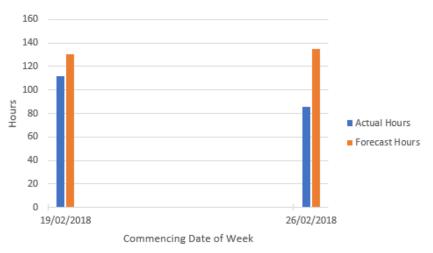


Figure Three: Cluster Column Chart of Actual Weekly Team Hours Compared to Forecast Weekly Team Hours.

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 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. These hours will actually be 'used' later in the development phase of our product, where more programming will be executed (the task which we believe will take the most time).

19/02/18 to 25/02/18:

- As mentioned above (and in the previous Financial Report), 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 has begun by some members of our team. (Other time was also spent conducting further research into the product's market and on contract negotiations).
- Because our team had a group tender presentation, Financial Business Plan, and
 First Financial Report in the same week, there were also more hours spent in the
 period for the first Financial Report than was envisaged (leftover hours not spent on
 development did cover this bunching of hours).
- For the first Financial Report, there were also more hours spent than predicted on research and design. This was because some members of our group were conducting further research into marketing strategies for our Financial Business Plan presentation (this then enabled our team to 'embrace modern technologies and trends', as per our company vision).

26/02/18 to 4/03/18:

- This period produced a similar situation to previous weeks for product development, where there were hours allocated for the software development task sooner than the entire group could focus on it.
- This week was spent by most group members programming and working on all aspects of the product. Significant progress was made on back-end, server-side programming, preparing code for functionality, and on the product's GUI prior to a merge occurring during the week of 5/03/18. The team now has regular programming 'sessions' (which are not defined as meetings as no minutes are taken), during which we dedicate further time to our product.
- In this period, fewer hours than expected were dedicated to maintaining our team's finances so that the Finance Manager could focus on developing user story(stories). So far, less progress than expected has been made in these user stories. This has been because of issues with the IDE used to develop the app (for example: randomly deleted work, unable to run code either via an emulator or a device, etc). This has also resulted in the enclosed charts showing an apparent dip in overall actual hours worked, in comparison to the previous week's (week commencing 19/02/18), as well as in comparison to the forecast total hours worked by the team for this week (week commencing 26/02/18).
- In addition, more hours were spent on research and development than predicted because, as with the previous period, members of our group were working on sales strategies to enable our group to "embrace modern technologies and trends", as per our company vision.

Summary:

- SWEng Group Three (SG3) Enterprise is currently within budget and is working efficiently whilst dealing with unforeseen events (later than planned loan approval, programming obstacles etc).
- Our group predicts that the next Financial Report will more accurately indicate our team's progress with our product, the first iteration being due on 16/03/18.