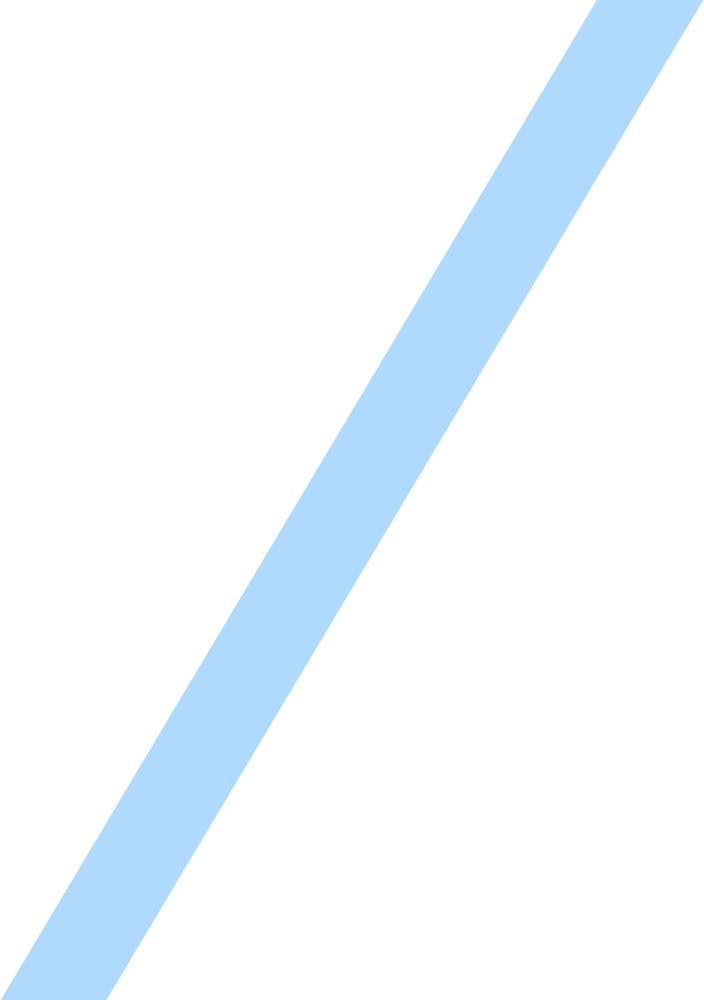
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| **Analyse and Interpret Financial Data**  Email: [Email Here]  Website: [Website Here] |

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**Module 4 - Project Task 2.4**

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| Assessment Report - Submission details | |
| Participant Name: | Jack McLovin |
| Topic: | [Enter topic here] Financial Data – Module 4 – 2.4 |
| Unit Code & Name: | [UNIT CODE] – [Unit title] CERT IV Building and Construction |
| Trainer/Assessor Name: | Yaser Farag and Dennis Crow |
| Submission date: | *\_\_\_\_ / \_\_\_\_ / \_\_\_\_14/12/23* |
| Work submitted: | |
| Declaration: | In submitting this work I declare that no part of any assessment I submit has been copied from another person’s work, except where clearly noted on documents or work submitted. I declare that no part of any assessment I submit will have been written for me by another person. I understand that plagiarism is a serious offence that may lead to disciplinary action. |
| Participant Signature:  (Insert Name) |  |

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|  |
| Introduction Report Written By: **Jack McLovin**  Date: **13/12/23**  Project Details: **Financial Data Report** |

# Describe your scenario

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| Due to the Fixed Price contracts between clients and the Builder’s Company there becomes an issue with the negotiable prices for labour and materials in the event of economic disturbances leading to price increases over the expected period of the building project.  In this scenario exactly this has occurred and a number of suppliers have mentioned an increase in costs of services next year due to an increase in their production costs. Thankfully the fixed price contract only operates until March, however the increase in costs don’t arrive until the following year. This means all financial projections for costs for future projects will need to be updated accordingly due to the increase, which may require some further insight into the suppliers issues ahead of time in the case that they themselves are not sure of the approximate price increase |

# Calculate the year-end totals and the quarterly profit achieved in year 1

### Table 1 – Quarterly and year end profit

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Quarter (month end)** | | | |  |
|  | **March** | **June** | **September** | **December** | **Year-end total** |
| **Sales-New** | 1.2 | 1.3 | 1.2 | 1.3 | 6 |
| **Sales-Renovation** | 1.5 | 1.5 | 1.5 | 1.5 | 6 |
| **Sales** | $745,050 | $749,399 | $761,020 | $772,969 | 3028438 |
| **COGS** | $616,240 | $597,255 | $602,697 | $611,946 | 2428138 |
| **Expenses** | $134,506 | $141,656 | $127,659 | $122,656 | 526477 |
| **Profit** | -5696 | 10488 | 30664 | 38367 | 73823 |

# Calculate the minimum average quarterly targets that needed to be met to achieve the results forecasted

**Table 2 – Quarterly forecast calculations**

|  |  |  |
| --- | --- | --- |
| **Finances** | **Forecast (Annual)** | **Minimum quarterly average required to meet forecast targets** |
| **Sales Units New** | **5** | **6** |
| **Sales Units Reno.** | **6** | **7** |
| ***Sales*** | $ 3,037,000 | 3,500,000 |
| ***COGS*** | $ 2,429,600 | 2,750,000 |
| ***Expenses*** | $ 515,800 | 600,000 |
| ***Profit*** | $ 91,600 | 150,000 |

# Compare the budget forecast to the actual expenditure

### Identify what the actual vs. forecasted targets were

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| --- |
| 73823 profits compared to projected of 91600 for profits  526477 expenses compared to projected 515800 for expenses  2428138 COGS compared to projected 2429600 for COGS  3028438 Sales compared to 3037000 |

### Identify the productivity targets for project production and how these compare with the actual productivity achieved

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| --- |
| Assuming productivity is Profits per Sales, then we have 2.44% productivity actual vs projected of 3.02% |

### Identify any underperformance in the business based on the comparison between the forecast and actuals.

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| The most significant issue was the miscalculations of expenses of being undershot by 10,000 or about 2%, but with profit margins so low, and expenses so high this really takes away from the overall performance |

### Explain the cause(s) of any difference(s) that may have occurred

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| --- |
| Price increases for expenses made, which would most likely be costs due to illnesses of employees, delays due to weather, price changes of following work due to cost of extending that following work delays of prior work, and price changes of office materials and technology costs |

### Provide a recommendation to ensure forecast targets are met in future. Ensure you advise of any resource requirements necessary to deliver on recommendation

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| Increase the projected expenses for future quarterlies, propagate increases to sales, and determine reasons for the differences in actual and projections and isolate whether the business operating causes can be corrected for by updating procedures, policies, and contracts. |

### Conclusion

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| **There’s a lot of money moving through construction companies with not a lot of profits coming out the other end for the company, thus ensure that the roles are filled by family and friends to assist in the rewards of such hardships by providing value to the people that care.** |