Spoon Ltd.

Financial Report 2

From: 17/02/2014 To: 02/03/2014

Prakruti Sinha, Paul Mathema, Sam Beedell, Ankita Gangotra

Spoon Ltd.

Contents

Spoon Ltd.

1.   Declaration

I, as financial representative of the coordinator of this project and in line with the obligations as stated in the Business Plan declare that:

The attached periodic financial report represents an accurate description of the work carried out in this project for this reporting period;

The project:

☐ Has fully achieved its objectives and technical goals for the period

☒ Has achieved most of its objectives and technical goals for the period with relatively minor deviations

☐ Has failed to achieve critical objectives and/or is not at all on schedule

The financial statements which are being submitted as part of this report are in line with the actual work carried out and are consistent with the report on the resources used for the project (section 8) and if applicable with the certificate on financial statement.

All Group members have declared to verify their status through meeting and timesheets. Any changes have been reported under section 6 (Project Management) in accordance with the Business Plan.

Name of Financial representative: Prakruti Sinha

Date: ___06___ / ___03___ / ___2014___

Signature of Financial representative: P.S

Name of Financial representative: Sam Beedell

Date: ___06___ / ___03___ / ___2014___

Signature of Financial representative: S.B

Spoon Ltd.

3.   Publishable Summary

Spoon is a custom software developer providing new, innovative and useful food-based software solutions. Our company will produce a product under the name of 'e-Cook', which is an interactive cookbook software for students that can display recipes with text, video and audio instructions. The processing power of modern consumer technology is able to compile all of this functionality into a single software product, the user interface will represent the simple and simplicity that cooking for yourself should represent.

By fully understanding the client and the market expectations, we aim to provide novel products with real consumer value.

Company Logo:

Company Product Logo:

4.   Project Management

The Project Manager (Ankita Gangotra), the Deputy Project Manager (Max Holland) and Documentation Manager (James Oatey) are in-charge of the entire management of the project.

The Project Manager is responsible for taking an overviewing role in the company and the primary point of contact between the investors, other groups and the team members. She is ensures the smooth running of the project so that deliverables are delivered on time.

The Deputy Project Manager is responsible for the Quality Assurance in the company so that the deliverables meet a certain standard.

Spoon Ltd.

The Documentation Manager is responsible for the editing, reviewing and handing in of documents alongside being responsible for taking minutes and writing specific documentation.

4.1 Summary of Group Activities during the Period

4.1.1 Management Tasks

The primary management task is to ensure that the deliverables are quality assured and on time. The management team sets internal deadlines and makes sure every team member follows a project plan to guarantee this. Amongst other tasks of the management team are organising meetings, writing agendas, signing timesheets and ensuring optimal use of the employees' qualifications.

4.1.2 Problems/Issues

There have been some problems with contract agreements. The company has had to change its software strategy to fulfil the requirements of the product specifications along with the contracts. The transition has been made and the contracts have been signed to buy two modules (audio and graphics) and sell two modules (image and video).

4.2.3 Changes in Group

The Management Team has been redefined to include the Documentation Manager. This means that the Management Team now consists of 3 employees requiring at least 2 employees' to agree for a management change to come into effect.

A weekly review system has been introduced for every employee to review the previous week's work and outline the tasks to be achieved in the next week. As a result of this, the Utilities Manager will submit his report to the Software Manager, the Marketing Manager will submit his report to the Finance Manager.

4.1.4 Project Meetings

So far the company has held 15 meetings, with the entire member present, in the last 5 weeks. The days for these meetings have been fixed per week as-

- Monday: 13.00-14.00 hrs. [1 hour]
- Tuesday: 12.00-13.00 hrs. [1 hour]
- Thursday: 15.00-17.00 hrs. [2 hours]

The sub-teams also have weekly meetings the frequency of which can vary from one to three times a week.

4.1.5 Project Planning & Status

The project plan is primarily based on deliverable deadlines. To that some of the internal deadlines have been added along with weakly tasks every team member should aim to finish. So far the company is adhering to the project plan and all the deliverables have been delivered before/on time.

Spoon Ltd.

4.1.6   Impact of Possible Deviations

The change in the Tender Presentation has caused slight deviations in the software plan. However, the impact of this can be managed and not an issue of concern.

Due to contract agreements with other companies, the software for the product now uses a different library to the one intended for the GUI. This caused some disruptions which have now been smoothed out.

4.2   Information on Co-ordination Activities during the Period

All groups were contacted for contract agreements. The talks for this fell through with the two groups that the company was hoping to agree with. Spoon finally signed contracts with the other two groups. The deadline for the receiving the Audio Module and providing the Image Module to Group 4 is 7th March, 2014. The deadline for the receiving the Graphics Module and providing the Video Module to Group 4 is 9th May, 2014.

4.3   Work Breakdown Structure

Attached and can be seen in the email containing Microsoft project.

4.4   Critical Path Analysis

Attached and can be seen in the email containing Microsoft project.

5.   Deliverables and Milestones Tables

5.1   Deliverables

No.	Name	Lead Member	Date	Delivered?	Comments
1.	Group Tender Presentation	Project Manager, Software Manager, Dep Finance Manager	20-02-2014	Yes	-

5.2   Milestones

Deliverable	Producer	Recipient	Due Date
Spring Term			
Functional Specification	Docs Manager, Project Team	Supervisor, Project Team Managers	28-01-2014 [Tuesday Wk-4]
QA Manual	Deputy Project Manager, Docs Manager, Project Team	All company personnel, Supervisor	03-02-2014 [Monday Wk-5]
Financial Business Plan	Finance Team, Sales and Marketing Manager	Financial Backer (AEW), Client (SJP), Project Manager	07-02-2014 [Friday Wk-5]
Project Wide Standards	Other Groups, Docs Manager	Project Team	13-02-2014 [Thursday Wk-6]

Spoon Ltd.

Group Tender Presentation	Docs Manager, Project Team	Financial Backer (AEW), Client (SJP), Supervisor	20-02-2014 [Thursday Wk-7]
Financial Report 1	Finance Team	Financial Backer (AEW)	21-02-2014 [Friday Wk-7]
Contracts Agreement	Project Manager, Dep. Project Manager, Docs Manager	Supervisor, Client (SJP)	25-02-2014 [Tuesday Wk-8]
Financial Report 2	Finance Team	Financial Backer (AEW)	07-03-2014 [Friday Wk-9]
First Iteration Complete	Software Team, Project Team	Supervisor	14-03-2014 [Friday Wk-10]
Final Test and Integration Plan	Software Team	Client (SJP)	14-03-2014 [Friday Wk-10]
Summer Term			
Financial Report 3	Finance Team	Financial Backer (AEW)	09-05-2014 [Friday Wk-3]
Financial Summary Report	Finance Team	Financial Backer (AEW)	30-05-2014 [Friday Wk-6]
Demonstrations and Sales Presentations	Sales & Marketing Manager, Project Team	Client (SJP)	09-06-2014 [Monday Wk-8]
Final hand-in of all deliverables	Project Team	Client (SJP), Financial Backer (AEW)	12-06-2014 [Thursday Wk-8]
Project Plan	Project Manager	Team Mangers, Project Team	[Wk-5]
QA Auditing and Metrics	Dep. Project Manager	Project Manager	Audits throughout project, metrics at the end of project
Timesheets	Project Team	Finance Manager, Project Manager, Dep. Project Manager	Throughout project
Progress reports	Team Managers	Project Manager, Dep. Project Manager	Throughout project
Meeting agenda	Project Manager	Team Managers, Project Team	Prior to meeting
Meeting minutes	Docs Manager	Project Manager, Dep. Project Manager, Project Team	After meeting

Spoon Ltd.

6. Explanation of the Use of Resources

The company resources for the week ending February 02, 2014 (Week 8) remain the same as reported in the initial Financial Report. Cost for the two weeks includes all direct payments of rent and subscriptions in line with arrangements currently in force.

The company cost of providing the resources to carry-out its current, day to day operations reduced by approximately 17.88% to £2835.77 in week 8. The decrease was driven primarily by low payments for Utilities, IT Infrastructure and Security expenses due to a reduced financial period. The other contributing factor is the unsynchronised resources payment deadlines.

Space Rentals

Total rent to be paid for the allocated space of 1400sq ft. @£23.5 per sq. ft.

Periods of payment are weeks 4, 7 and 10 of each term including vacations in-between.

Utilities

Utilities are charged at £50.00 per week and payments are to be made in weeks 6 and 10 for each term.

IT infrastructure

Use of these utilities has a charge of £100.00 per week and payments are to be made in weeks 6 and 10 for each term.

Security

The company enlisted third party service providers for the storage and backup of company documents, project source code. An initial setting up fee of £15.00 was paid to be followed by weekly subscriptions of £2.50.

6.1 Table of Resources

Table of Resources, subcontracting and other major direct cost items for the group members for the period			
Area of Usage	**Item Description**	**Amount (£)**	**Explanation/ Comments**
Storage for documents and code	Server	5.00	Payments for weeks 7 and 8 at £2.50 per week rental
1400sq. ft.	Space Rental	2539.77	Payments for weeks 5 and 8
N/A	IT infrastructure	200.00	Payments for weeks 7 and 8
N/A	Utilities	100.00	Payments for weeks 7 and 8

Spoon Ltd.

7.   Financial Statements – Summary of Financial Report

The management section of the financial report now includes the current progress of Spoon, this includes activities undertaken by each team and all deliverables to date. The business plan has been updated with the current weekly costs evoked from labour and the table of resources is up to date with overhead expenditure.

7.1   Profile

- Company Name: Spoon;
- Project: E-Cook, Interactive cookbook software;
- Primary market: University students.

7.2   Project

- Project duration: 25 weeks
- Program contains 5 modules (text, images, graphics, audio and video)
- 3 modules made by Spoon; 2 from an outside company.

7.3   Resources

- Resources: Staff (10), Office space, Photographer, Chef, Server.
- Overhead: Utilities (Including server cost and insurance costs)

7.4   Finance

See attached for more detailed business plan.

- Total Overhead cost considering factors stated above comes to: £19417.50
- Labour costs were made considering the variable distribution of workload relative to the deliverables due. Projected labour cost comes to: £25,396.00
- Projected labour cost will be compared with actual labour cost as the project progresses
- A thorough breakdown is shown in he attached business plan
- Total start-up cost is the sum of the total overhead cost and labour cost; totalling to £44786.50
- Contracts to be drawn up in coming weeks.
    Contract details so far-

    25% upon placement
    50% on handover
    25% on acceptance

The company plans on selling modules.

Module price considerations:

Overhead recovery rate: £9.56/hr.; using the equation:

$$Overhead\ recovery\ rate, £/\ hr\ = \frac{Total\ Overhead\ Cost}{Labour\ work\ hours}$$

Spoon Ltd.

Labour rate: £12.50/hr.

Estimated 5 weeks of work per module.

The minimum amount of money we can make from sales of modules will be a sum of the overhead recovery rate over the time period for which the module is worked on and the labour cost over the same time period. At the price, no profit is made and will be used to determine the base amount for which we will sell our modules.

Module Price equation:

$$M_B = T_{M*}(OH + LR*NS)$$

M_B = Module price for breakeven

OH = Overhead recovery rate

T_M = Time spent working on one module

LR = Labour rate

NS = No. of staff

Amount of money made for breakeven: £10,092.00

7.5 Actual Vs. Planned Expenditure

Reviewing the business plan spread sheet, the projected cost should be less than the actual cost according to our non-linearity estimate in labour but looking at Week 6, 7 and 8 the actual cost is £196.25, £382.25 and £108.75, over the weekly projection respectively. Therefore our estimates are overestimated by an average of £229 so far looking at the past two weeks for this financial report. For the next few weeks the workload should flatten out evenly across the team. Completing the two modules that Spoon plans to sell will also affect the actual labour costs beneficially.

8. Appendix 1
- GANTT Chart and PERT Chart attached in the email submission
- Business plan document attached in the email submission