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Financial Report 3

From: 03/03/2014 To: /05/2014

#### Prakruti Sinha, Paul Mathema, Sam Beedell, Ankita Gangotra

Contents

[1. Declaration 2](#_Toc380701903)

[3. Publishable Summary 3](#_Toc380701904)

[4. Project Management 3](#_Toc380701905)

[4.1 Summary of Group Activities during the Period 4](#_Toc380701906)

[4.2 Information on Co-ordination Activities during the Period 5](#_Toc380701907)

[4.3 Work Breakdown Structure 5](#_Toc380701908)

[4.4 Critical Path Analysis 5](#_Toc380701909)

[5. Deliverables and Milestones Tables 5](#_Toc380701910)

[5.1 Deliverables 5](#_Toc380701911)

[5.2 Milestones 5](#_Toc380701912)

[6. Explanation of the Use of Resources 6](#_Toc380701913)

[6.1 Table of Resources 7](#_Toc380701914)

[7. Financial Statements – Summary of Financial Report 7](#_Toc380701915)

[7.1 Profile 7](#_Toc380701916)

[7.2 Project 7](#_Toc380701917)

[7.3 Resources 7](#_Toc380701918)

[7.4 Finance 7](#_Toc380701919)

[7.5 Actual Vs. Planned Expenditure 9](#_Toc380701920)

[8. Appendix 1 9](#_Toc380701921)

## 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

**x**

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

## 3. Publishable Summary

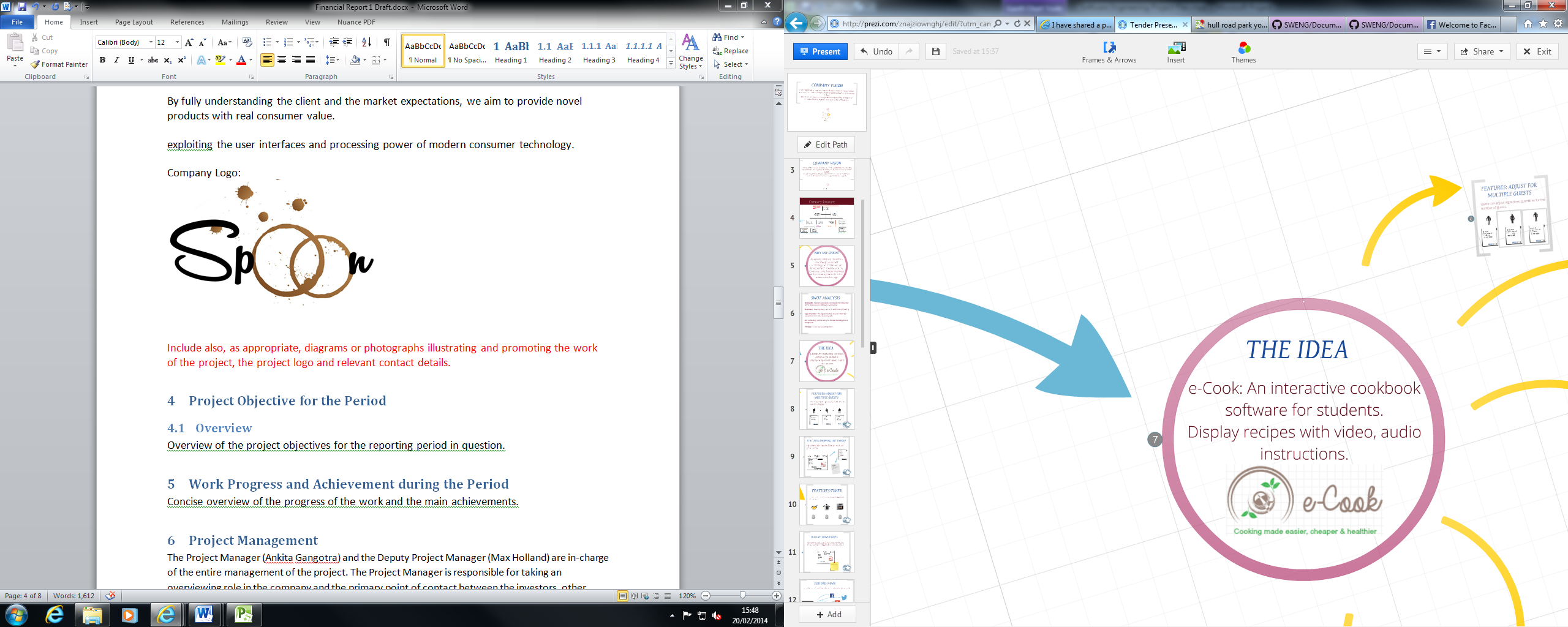
Spoon is a custom software developer providing new, innovative and useful food-based software solutions. Our company will produce a product under the name of ‘e-Cook’, which is an interactive cookbook software for students that can display recipes with text, video and audio instructions. The processing 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.

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 met 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 issues with the amount of work expected v/s the amount of work done by people per week. This caused some software iteration related problems.

#### 4.1.3 Changes and solutions to problems/issues

As a solution to this problem, system of daily ‘lab sessions’ have been put in place to get the team working and problem solving together. This also ensure that everyone is doing a fixed number of hours per week. This system is working well so far.

Also, a system of a 3-day internal deadline has been introduced for software iterations meaning that the entire team needs to submit their code to the software team for bug fixes 3 days before an iteration is due to end.

#### 4.1.4 Project Meetings

So far the company has held 26 meetings, with the entire member present. The entire team also had virtual meeting online over Easter every week. The days for the meetings in the summer term have been fixed per week as-

* Tuesday: 13.00-14.00 hrs. [1 hour]

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. New additions to the plan have been discussed above.

#### 4.1.6 Impact of Possible Deviations

It is extremely important for the team to finish software iterations on time. If the software iterations are not met on time, this could result in running over budget or missing deliverable deadlines.

### 4.2 Information on Co-ordination Activities during the Period

The audio module was received and the Image Module was delivered on time to Group 4. The payment for the Audio Module was made as per contract once it was accepted by the Software Manager (Steve Thorpe). Payment for the Image Module was received on time.

The Graphics Module was received and the Video Module was delivered on time to Group 1. Talks are ongoing with Group 1 regarding bugs in the Graphics Module they delivered. Still awaiting confirmation of acceptance of Video Module from them.

### 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] |
| 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 |

## 6. Explanation of the Use of Resources

### The company resources payments for the week ending May 04, 2014 (Week 3 of Summer) include the last two weeks of spring term and the Easter holiday period. The net result is an increased. Resources usage expense for this period, as such the current Resources expenses have short up to a total of about £5500.00 for this period.

### Space Rentals

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

### 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

### Third party service providers for the storage and backup of company documents, project source code weekly subscriptions of £2.50.

### The following is the estimated Company Utilities Expenditures for the budget period for this project, based on the full implementation of all charges and assumptions as outlined as given each area of usage.

### 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 | 17.50 | Payments for weeks 9 (Spring term) to Week 3 (Summer term) at £2.50 per week rental |
| 1400sq. ft. | Space Rental | 4428.85 | Payments for weeks 9 (Spring term) to Week 3 (Summer term) |
| N/A | IT infrastructure | 700.00 | Payments for weeks 9 (Spring term) to Week 3 (Summer term) |
| N/A | Utilities | 350.00 | Payments for weeks 9 (Spring term) to Week 3 (Summer term) |

## 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: £19,417.50
* 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:

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:

MB = TM\*(OH+ LR\*NS)

MB = Module price for breakeven

OH = Overhead recovery rate

TM = 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

The Easter break period was assumed to contain less work overall as we scheduled only 6 hours a week to be compulsory but our team averaged 7.68 hours per 5 day week overall. This has therefore put us £1049.75 over the projected estimate.

Reviewing the business plan, we can see that many members are working overtime to ensure our product meets iteration deadlines and is built to the highest quality. The actual total of labour costs have been greater than our projections every week (apart from week 5) so far so and totalling to £2276.25, the finance and management team must therefore come up with budgeting strategies to avoid going into debt.

Despite this some members workload fluctuates much grater than others which evens out the overall cost of labour and still doesn’t come close to our maximum projection estimate. The non-linearity we expected from members is clearly shown but not accustomed for in the summer term projections so this has been updated, we also expect some members of the software team and especially the ‘testing and integration’ manager to work overtime to get the product fully functional once the code has been written and we have included this in our business plan.

A strategy to avoid going into more debt has already be implemented through non-compulsory coding labs that should give members the chance to keep on top of their workload and ensure they don’t work over-time.

The buying and receiving of two modules has been completed apart from the second module not compiling so having to chase up an external company about fixing this before completing the final payment of acceptance. This has been the only source of money income so far and as we also bought two modules we ended up breaking even so doesn’t affect total costs.

## 8. Appendix 1

* GANTT Chart and PERT Chart attached in the email submission
* Business plan document attached in the email submission