



NOVEMBER 2010

TIME Magazine listed Sugru alongside the iPad as one of the top 50 inventions of 2010. The iPad was number 34, Sugru was number 22. Boom!



Top Secret Offer

Ciao! We ship to Italy. 🇮🇹



WHAT IS SUGRU? ▾

PURPOSE & MISSION ▾

USES & PROJECTS ▾



BUY SOME SUGRU

This is Mouldable Glue.

STICK IT. MOULD IT. SETS STRONG.

BUY SUGRU

WHAT IS SUGRU?



Sugru

<https://sugru.com/>

Introduction to business financials: financial terminology

Richard Brooks

Terminology



What I intend to cover

1. Sales Price and Costs of Sales
2. Gross Profit (Gross Margin)
3. Difference between cash and profit
4. Fixed costs, overheads
5. Group Exercise

Product or Service



What you really need to know

Sales

less Costs of goods sold

= Gross margin

Gross margin = Gross Profit

Gross Margin

PROFIT & LOSS EXTRACT				
A	Sales			1,000
B	Costs of goods sold			<u>500</u>
C	Gross Margin	A-B		<u>500</u>
D	Gross margin %	$(A-B)/A$		50%

Description		
Unit Sales Price (net of sales tax, VAT)		150.00
COST OF SALES WORKINGS:		
Materials	30.00	
Import Duty on materials	-	
Labour (direct wages)	40.00	
Other Direct Costs	20.00	
Delivery costs	5.00	
Transport Insurance	1.00	
Duty e.g. export	-	
Bank Charges on sales receipts	1.00	
Commission to sales agents	<u>3.00</u>	
Total Cost of sales		<u>100.00</u>
Gross Profit (margin %)		<u>50 (33%)</u>

Examples of gross margins in different sectors

Software >90%

Technology 30-90%

Food manufacturing 15-25%

Manufacturing (low tech) 15-50%

Professional services, education 30-50%

PROFIT & LOSS EXTRACT					
A	Sales	1,000			
B	Costs of goods sold	500			
C	Gross Margin	500	A-B		
D	Gross margin %	50%	(A-B)/A		
CASHFLOW		Month1	Month2	Month3	Month4
<i>Cash inflows:</i>					
	Customer receipt	0	0	0	1,000
<i>Cash outflows:</i>					
	Payment to supplier	-500			
	Net inflow/(outflow)	<u>-500</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
	balance b/fwd	0	-500	-500	-500
	balance c/fwd	-500	-500	-500	500

Overheads

Example categories (used in App)

Development

Staff

Director's pay

General expenses

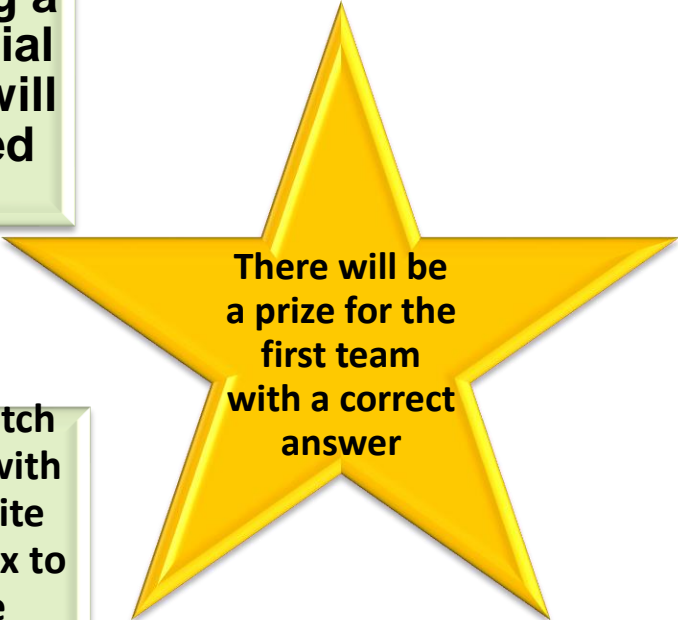
Your turn...

I have handed out a sheet of definitions

I am displaying a sheet of financial terms which I will leave displayed here

When you are finished, let us know by putting your hand in the air.

Your task is to match the correct term with its definition. Write the term in the box to the right of the definition



There will be a prize for the first team with a correct answer

1

Financial terms	Financial terms
Balance sheet	Cash breakeven
Cash flow statement	EBITDA
Depreciation	Profit and loss account
Gross margin	Variable costs
Working capital	Return on investment

Thank you

richard.brooks@fdsolutions.uk.com

 www.fdsolutions.uk.com