

“Ffion LIMITED”

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Personnel Resourcing and Development
(M5X01922)



Introduction :

- I was asked to create a report for the Chief Executive. I will review and describe calculation ratios for 2017 and 2018 for “Company Accountant” Ffion Ltd” which manages a portfolio for a hotel based in the United Kingdom and Northern Ireland.

Financial Analysis

Ratio	2017	2018
Gross profit	$2100/9000 \times 100 = 23.3$	$1850/9500 \times 100 = 19.47$
Net Profit	$623/9000 \times 100 = 6.92$	$(307/9500) \times 100 = 3.23$
ROCE	$(623-10)/2684 \times 100 = 23.58$	$307+9/3014 \times 100 = 10.48$
Total Assets Turnover	$9000/2684 = 3.35$ times	$9500/3014 = 3.15$ times
Working Capital Turnover	$9000/984 = 9.15$	$9500/1264 = 7.52$
Current Ratio	$1839/855 = 2.15$	$2152/888 = 2.43$
Quick Ratio	$1839-700/855 = 1.33$	$(2152-750)/888 = 1.58$
Debtor Days	$649 \times 365/9000 = 26.32$	$870 \times 365/9500 = 33.43$
Creditor Days	$660 \times 365/6500 = 37.06$	$690 \times 365/7700 = 32.71$
Debt Ratio	$(855+150)/(1839+1700) = 0.28$	$(888+150)/(2152+1750) = 0.27$
Interest Cover	$623+10/10 = 63.3$	$307+9/9 = 35.1$

Profitability.

- This ratio is treated to be agreeable when profitable numbers are growing from the last period or when they are better than their competitor's result.

Contribution margin ratio

- From the salary, articulation deducts all variable costs and after that breaks down the result by deals. The thought is to resolve the capacity of deals accessible after variable taken a toll to pay for settled costs and generate a benefit. It makes a difference to form a breakeven analysis.

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Gross profit ratio.

- Breakdown all costs are included within the cost of products sold within the income statement from deals and after that isolates the ultimate result by deals.



Net profit ratio.

- In this type of ratio, all of the expenses in the income statement from sales has to be subtracted.



Return on Capital Employed

- This ratio measures how efficient the company is to produce profits from its capital.



Turnover ratio

- To generate revenue can be used this ratio as an indicator of how good use its assets.

Liquidity

- Liquidity proportions are a course of money related measurements utilized to resolve a debtor's capacity to pay off current obligation commitments without boost outside the capital.



Gearing

- Adapt proportions are monetary proportions that degree a company's leverage.



Benefits and Limitations of Ratio Analysis

- The most important to the management department in the hotel industry is that to understand their ratios and to do the right analyses which going to help to evaluate their economic and financial position with the industry.

What is KPI

- a set of quantitative metrics that indicate how business is doing which is used by management to help them when its time for setting the right goals objectives this ratio telling that if they are doing well or badly.



Conclusion:

- This is a summary of what I learn about this company and my recommendation to end this two-year 2017/2018 from information



■ Reference :

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