



### Overview:

You have recently been granted planning and permission to build a theme park as the local council feel the attraction would bring income and jobs within the local area.

You have been granted a substantial business loan of £5 million for building and start-up costs.

### Task 6:

- Wow! Time has flown by and your theme park has now been open for 12 month!
- In the first month, your advertising choices made a big difference to your weekly customer figures. We will look at those on your 'Annual Profits' sheet. Look back at home many visitors you predicted you would have on your ticket prices sheet.
- Fill in the correct information and complete the calculations in the first box on the Annual Profits sheet to work out your first month's profits.
- The marketing option you chose will increase those figures. Look at the table below to find the marketing method you used, and look at how much your first month's income increased by:

National Tabloid Newspaper campaign	+3%
National 'lads mag' Totalled campaign	+2%
National children's comic Bonzo campaign	+1%
Nationwide billboard posters campaign	+3%
National radio adverts	+4%
Local radio adverts	+1%
Primetime TV adverts	+6%
National cable channels adverts	+4%
National children's channel advert	+3%
Geegle and Smilebook web banners	+1%

- Fill this figure in above the second box. You can then write in your month 1 profit from the first box. Underneath that, you need to take away the maintenance costs that you had for the first two weeks. This will give you the actual money that you made for the first month.

- After the first month, your profit increased by 5%. This could have been word of mouth or maybe sites such as TripAdvisor.
- Firstly, calculate a 5% increase from month 1. Find what 5% of your month 1 profit was, and then add it to that profit again to find month 2.
  - o E.g. I may have made £3,500 profit in month 1. 5% of 3500 is £175. So, I will have made  $3500 + 175 = £3675$  in month 2. (This would be repeated for month 3 – find 5% of the new profit, £3675).
- However, we still need to account for the running costs. We have already taken off 2 week's running costs from Month 1 (which was actually covered by the original business loan), so for month 2 we need to only subtract 2 weeks running costs. This will leave you with the month 2 profit.
- The following table will show you by how much your profit increased each month. Use these figures to work out the percentage increase on the previous month:

Month 1	% differs depending on your advertising
Month 2	5%
Month 3	5%
Month 4	5%
Month 5	5%
Month 6	5%
Month 7	50% - a competitor theme park had a broken ride!
Month 8	2%
Month 9	2%
Month 10	2%
Month 11	2%
Month 12	2%

- Remember, for each month you no longer need to take out the running costs – we have already done that by month 2. Just work out the percentage increase based on the previous month.
- Once you have completed all of these, you need to add them all together to work out your annual profit (yearly profit).
- Answer the reflection questions on the sheet – what was successful about your park? What could you do differently to make it even more successful?

### **Reflection:**

- Have you worked out your annual profit?
- Did you make a profitable business after one year of trading?
- Why was your park successful? Was it to do with the target market?
- How did your advertising affect your profit?
- Did you chose the right entrance prices?

# Annual Profits

Firstly, we need to work out your first month's profits:

Estimated weekly adult customers: _____	Estimated weekly child customers: _____	Multiply your daily customers by 7.  Multiply your weekly customers by your chosen entrance fee.  Total your adult and child income.  Multiply this by 4 to get an estimated monthly income.
Adult entrance fee: _____	Child entrance fee: _____	
Estimated adult weekly income: _____	Estimated child weekly income: _____	
Total estimated weekly income:		
Total estimated monthly income:		

Our advertising choices increased our monthly income by \_\_\_\_\_%

Actual month 1 income	_____
Minus two week's running costs of	_____

This figure is your actual month 1 profit.

## Month on Month Profits:

Month 1 profit	_____
Month 2 profit	_____
Month 3 profit	_____
Month 4 profit	_____
Month 5 profit	_____
Month 6 profit	_____
Month 7 profit	_____
Month 8 profit	_____
Month 9 profit	_____
Month 10 profit	_____
Month 11 profit	_____
Month 12 profit	_____

Our actual annual profits are: \_\_\_\_\_

We were successful because:

We could have improved our business by: