

# **STAFFORDSHIRE UNIVERSITY**

## **BUSINESS SCHOOL**

**Academic Year 2009/2010**

**MODULE:                    ENTREPRENEURSHIP  
   &  
   NEGOTIATION**

**MODULE CODE:        BSB10295-3**

**LEVEL (H) Honours**

## **MODULE GUIDE**

|                 |  |  |
|-----------------|--|--|
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**Welcome:**

Welcome to undergraduate study at Level (H) Honours at the Business school at Staffordshire University.

This module aims to inform students of the importance that enterprise plays in the modern business world and develop their knowledge, understanding and ability to successfully manage and develop new ideas that will create value for both consumers and the business organisation that they own

Enterprise Management is largely concerned with the creation and development of new business idea's, which are managed efficiently to maximise the return on the investment that has been undertaken. In the main these will be innovative ideas based on existing products and services that organisations have previously developed and have now maximised the return on the investment placed in it, although new inventions will also be considered in this module.

On the completion of this module, it is hoped that you will have achieved an understanding and the knowledge that underpins enterprise and the important part it plays in the development of products and services that benefit and enhances the quality of all our lives.

No pre-requisite modules are necessary to study this module at this level, although students who have studied the level (I) Intermediate module "The Entrepreneur" will have covered a number of points in the first part of this module.

# 1. Basic Information & Data about this module;

|      |                         |                                |       |            |
|------|-------------------------|--------------------------------|-------|------------|
| 1.1  | Module Title            | Entrepreneurship & Negotiation |       |            |
| 1.2  | Module Reference Number | BB10295-3                      |       |            |
| 1.3  | Level                   | Higher (H)                     |       |            |
| 1.4  | Number of Credits       | 15                             |       |            |
| 1.5  | Teaching Block          | 1                              |       |            |
| 1.6  | Parent School           | Business                       |       |            |
| 1.7  | Student Study Hours     | Teaching                       | Hours | 12         |
|      |                         | Tut/Consultancy                | Hours | 12         |
|      |                         | Private Study                  | Hours | <u>126</u> |
|      |                         | Total Learning                 | Hours | <u>150</u> |
| 1.8  | Pre-requisites          | None                           |       |            |
| 1.9  | Module Leader           | Peter Mountford                |       |            |
| 1.10 | Assessment              | Business Plan                  | (50%) |            |
|      |                         | Project Diary                  | (20%) |            |
|      |                         | Presentation                   | (30%) |            |

## **2. Introduction**

The introductory stage of this module will concentrate on the special personal skills expected of entrepreneurial managers. This will be achieved by examining the traditional theoretical special skills attributable to entrepreneurs and business managers and deciding if there is a need to incorporate both sets of skills when identifying the Entrepreneurial Manager. An additional capability of the Entrepreneurial Manager will be the ability to negotiate with stakeholders, particularly those that choose to invest monies into new start businesses. Because of this the first assessment you will undertake will be to negotiate a calculated amount of finance by way of the Marketing Plan for your business

Small to Medium Size Enterprises (SME's) the traditional spawning ground of enterprise initiative will be critically examined on the basis of the appropriate organisational structure for enterprise development linked to product/service development, growth, investment needs and the configuration of resources. The crafting of the business, marketing and financial plan's in the second part of the module is intended to encapsulate the overall beliefs and recommendations of the enterprising manager.

The module will be concerned with developing critical, interpersonal skills needed by the practicing enterprise manager to function effectively in the internal and external business environment. The module achieves this by adopting an activity-based approach to learning. Students are expected to reflect on their personal experiences and the experiences they gain from the facilitated tutorial and consultation workshops and to consider how they need to develop their own skills in order to prepare for their move into enterprising management.

## **3. Aims of the Module**

- 3.1 To identify the special personal skills and knowledge that become the driving force that underpins the development of enterprise initiative.
- 3.2 Understand why individuals make rational and irrational decisions to achieve a specific goal.
- 3.3 To facilitate the development of effective information gathering and the selection of appropriate methods to make individual and joint decisions.
- 3.4 Select and apply information and data using appropriate acceptable planning documents that describe the basis of an innovative idea.

## **4. Learning Outcomes**

- 4.1 Demonstrate knowledge and understanding of the personal characteristics necessary in developing innovative business ideas.
- 4.2 Justify a business idea within an appropriate operating structure.
- 4.3 Justify a convincing rationale for a new business idea using appropriate information and data.
- 4.4 Recording of events that lead to the submission of planning Documents.

## **5. Skills**

- 5.1 Cognitive skills of critical thinking, analysis and synthesis.
- 5.2 Effective problem solving and decision-making.
- 5.3 Numeracy and quantitative skills from data analysis and interpretation from the final accounts.
- 5.4 Effective performance as part of a team.
- 5.5 Persuasive communication skills.
- 5.6 Learn to be reflective, adaptive and collaborative as part of a team.
- 5.7 Effective performance within a team environment.
- 5.8 Interpersonal skills through negotiating and persuasion with consultants.

## **6. Teaching and Learning Programme**

There is a one hour lecture in each of the 11 weeks of teaching that sets the context and provides an account of the main theories and research findings associated with each lecture topic.

Tutorials will last for one hour. Comprising, discussion and individual/group exercises with the occasional case study exercise.

A consultation workshop hour each week has been accommodated where the Entrepreneurship group when formed (by week 3) may seek advice and Guidance with their idea.

## 7. Group Formation

During the first week of study each tutorial group will be informed of the need to form an entrepreneurship group and confirm membership by the end of teaching week 3.

The group here on will be your PARTNERSHIP GROUP and will be identified by the initials ENT followed by a suffix. In all correspondence you must identify yourself by using this identity for your group. The groups will have a minimum of three and a maximum of five students. Students are expected to stay in these groups throughout the semester.

## 8. Basic Competencies and Personal Learning Outcomes

The module is an ideal introduction for those students who are intending to set up their own business or apply an idea within an established organisation with like minded colleagues. The module will build on and add to skills and knowledge attained on previous levels of the award that you are enrolled on. In certain situations skills and experience will be assumed to assist in the authenticity of the chosen business idea

This module will provide you with the background and information sources which will enable you to investigate, analyse, evaluate and implement a chosen strategy for a new innovative business idea.

The idea will be encapsulated through a Business Plan.

To achieve the required competencies you will on completion of the module be in a position to:

- . Recognise the business opportunity
- . Research the chosen market niche
- . Confirm the target market
- . Be conversant with promotional material
- . Identify employment needs
- . Be conversant with legal and taxation frameworks
- . Locate correct sources of finance
- . Craft accounting documents
- . Be aware of your own and your Partners business limitations
- . Write an acceptable Business Plan

To achieve such competencies:

Students would be expected to participate in:

Constructive discussion in identifying entrepreneurial activities and individual characteristics.

To undertake practical written exercises, and familiarise yourself with formal reports and documentation.

Show the ability to work as part of a group to gain maximum effect from pooled knowledge.

Develop, implement and evaluate information from an appropriate market research activity.

## **9. Module Key Skills**

- 9.1 Identify sources of information and demonstrate how to use them.
- 9.2 Research into the feasibility, acceptability and suitability of your chosen business idea.
- 9.3. Identify the business's needs on finance, human resources, marketing and operational resources.
- 9.4. Craft cash-flow forecasts, final accounts and a comprehensive business plan.
- 9.5. Demonstrate your ability as a group to work as one unit.
- 9.6 Use of documented evidence throughout the body of assessed work and the appropriate citation of recommended reading and websites
- 9.7. Present your business idea to prospective investors whence you convince them of your commitment, knowledge, experience and enthusiasm



## 10. Lecture/Tutorial Programme

Reference to reading sections for each lecture refer to the module core-text "Financial Times Guide to I Business Start-Up" by Sara Williams (2009) unless otherwise stated.

| <b><u>LECTURE</u></b> | <b><u>TOPIC</u></b>   |
|-----------------------|---|
| 1                     | Matching Entrepreneurial & Management characteristics with the Business idea<br>( <i>Entrepreneurship and Small Firms Chapter 1 and 2</i> ) |
| 2                     | You and Your Ideas<br>( <i>Chapter 1</i> )  |
| 3                     | Markets, Definition & Selection<br>( <i>Chapters 12-16</i> )  |
| 4                     | Marketing Techniques<br>( <i>Chapters 12-16</i> )   |
| 5                     | How to Sell your Idea<br>( <i>Chapters 12-16</i> )  |
| 6                     | Financing the Plan<br>( <i>Chapter.24</i> )   |
| 7                     | Introduction to Accounts<br>( <i>Chapter 4 &amp; 23</i> )   |
| 8                     | Cash Flow Forecasting design & purpose<br>( <i>Chapter 23</i> )   |
| 9                     | Final Accounts<br>"Trading, P& L & Appropriation a/c's"<br>( <i>Chapter 23</i> )  |
| 10                    | Final Accounts<br>"Balance Sheet"<br>( <i>Chapter 23</i> )  |
| 11                    | Plan compilation<br>( <i>Chapter 6</i> )  |
| 12                    | Small Business Banking Expert (talk)  |

In week 9 Entrepreneurship groups will be expected to present their marketing plan (N.B. the presentation represents 30% of the marks for this module)

## **THE TUTORIAL PROGRAMME**

| <b><u>TUTORIAL</u></b> | <b><u>TOPIC</u></b>   | <b><u>CONSULTATION HOUR</u></b> |
|------------------------|---|---------------------------------|
| 1                      | Module Introduction_  |                                 |
| 2                      | The Gremlin Group<br>(case study)                           |                                 |
| 3                      | Creating Ideas  | Consultation Workshop           |
| 4                      | Raising Finance   | Workshop                        |
| 5                      | Business Markets  | Workshop                        |
| 6                      | Market Research   | Workshop                        |
| 7                      | Basic Selling techniques                                    | Workshop                        |
| 8                      | Final Accounts  | Workshop                        |
| 9                      | Cash Flow<br>(exercise)                                     | Workshop                        |
| 10                     | (Partnership<br>Trading and P&L<br>and Appropriation A/C's) | Workshop                        |
| 11                     | (Partnership, Balance Sheet)                                | Workshop                        |
| 12                     | Module Review &<br>Assessment Briefing                      | Workshop                        |

### **KEY WEEKS:**

|               |   |
|---------------|---|
| <b>Week 3</b> | <b>Students to confirm their group membership</b>     |
| <b>Week 8</b> | <b>Marketing Plan presentation confirmation times</b> |
| <b>Week 9</b> | <b>Marketing Plan presentation week</b>               |

## 11. Reading List

The objective of this module is to develop accomplished skills and knowledge to a level that would be acceptable to financial institutions when applying to them for financial assistance to commence an innovative business idea. To prepare you for this you are encouraged to read the recommended core text-book and to read quality daily /weekend newspapers. A section of the Sunday Times in particular, focuses on small business and entrepreneurial activities.

|                   |  |
|-------------------|--|
| <u>Core Text:</u> | “Financial Times” Guide to Business Start-Up (2009)              |
| Author:           | Sara Williams  |
| Publisher:        | Financial Times/Prentice Hall                                    |
| Other Reading:    | Mastering Enterprise (2002)                                      |
| Author:           | Sue Birley & Daniel Muzyka                                       |
| Publisher:        | Pitman Publishing  |
| Other Reading     | Entrepreneurship and Small Firms (3 <sup>rd</sup> edition, 2003) |
| Author:           | David Deakins & Mark Freel                                       |
| Publisher:        | McGraw-Hill  |
| Text:             | How to prepare a Business Plan (2 <sup>nd</sup> edition)         |
| Author:           | Edward Blackwell   |
| Publisher:        | Kogan Page   |

## 12. Useful Websites

[www.bizhelp24.com](http://www.bizhelp24.com)

[www.ft.com](http://www.ft.com)

[www.directory.co.uk/Entrepreneur.htm](http://www.directory.co.uk/Entrepreneur.htm)

<http://www.lloydstsbusiness.com/support/businessguide.asp>

[www.bcentral.co.uk](http://www.bcentral.co.uk)

[www.businesslinkstaffordshire.co.uk](http://www.businesslinkstaffordshire.co.uk)

[www.clearlybusiness.co.uk](http://www.clearlybusiness.co.uk)

# 13. The Assessment

## ASSESSMENT – BRIEF

Assignment Issue Date: Details of the assignment are issued in the handbook in week 1

Business Plan submission Date: To be confirmed

Weighting:

50% - Group assessed (Business Plan)

20% - Project Management (Diary)

30% - Presentation Week 9 (Marketing Plan)

Onre copies of the Plan including your project management diary must be submitted to the Business school reception Blackheath Lane on the confirmed date.

N.B. As part of the project management the group will submit an agreed peer assessment signed by all members of the group. This to be marked out of 100%, the final mark will indicate what percentage will be given to individual members of your group to the mark awarded by your tutors for the module.

## ASESSMENT DETAILS

The Plans should be no more than 30, A4 pages in length - including appendices.

The Plans should be submitted to the Business School reception desk in the Octagon.

**BUSINESS PLAN & PROJECT MANAGEMENT DIARY DATE TO BE CONFIRMED LATER:**

## PROJECT MANAGEMENT

20% of the marks are to be awarded for project management this will include a peer assessment. The project management should form a time log of meetings which details how various roles and tasks have been allocated, research undertaken and the analyse and evaluation from your findings, the ongoing development of the contents of the Business Plan and an explanation of how the contents were determined. Both the peer assessment agreed by each member of your Partnership group together with the minutes of your project management meetings must be handed in with your final Business Plan. The appropriate templates appear in the appendix.

# 1. ASSESSMENT SCENARIO

Yourself and two to four colleagues have worked for the same organisation for a number of years, developing different skills through training and hands on experience. Through hard work, perseverance and promotion you have worked your way up through the organisation to a position of respect and authority which has rewarded you with an above average salary. Similar to many employees before you, you have considered leaving the assurance of being a wage slave to pursue a course of action to be your own boss. As is always the case with such dreams the risk and uncertainty outweigh the possible rewards for most people and like others it remains a dream.

1.1 Until recently the thought of going it alone as always stayed a dream, until you get talking to some of your work colleagues who have also considered ways of moving away from secure paid employment. You quickly realise between you that the individual talents and experience you all possess would place you in a far better position than most to strike out independently from your employer and increase the possibilities of success by pooling your various talents.

1.2 If a number of you, (say 4) were to leave the company what effect would this have. You have to consider this in respect of:

- (a) Knowledge of Customers (poaching)
- (b) You have been paid by your current employer whilst engaging in research & analysis that could be detrimental to your current employer.

Analysis:

You will inflict damage in the trading of your current employer if you set up in direct competition usually through your research having been able to exploit the weaknesses/strengths of the company. Your present employer is a major player in the industry/service in which you have experience who will not take kindly to the loss of key employees and the potential loss of their client base and would resort to vigorous defensive tactics to protect its current market position.

Not discouraged you feel that there is a niche in the market that you can exploit without incurring the wrath of your present employer.

1.3 Further meetings between the three/five of you make you realise even though your collective talents are considerable not one of you has experience of running your own business, questions which are raised on marketing, staffing, finance and day to day operations make you realise careful planning is essential if the venture is to stand any chance of being successful.

## 2. YOUR TASK

After much thought you all agree the time is right to set up your own business within the industrial/service sector you are familiar with. Although your work experience is not in question you all agree you will need outside help if your business is to succeed.

You are aware that most new businesses flounder due to a shortage of money whether it is for capital investment or cash flow purposes it remains the number one problem facing fledgling entrepreneurs. This reflects directly the level of research both primary and secondary in the sourcing methodology and analysis of the researched data that has been undertaken. Which would have a direct influence on your ability to forecast the data you will use in your capital investment strategy and in your cash flow projections.

The combined personal finance you are prepared to invest in the business suggests an outside investor is necessary. You realise that any outside investor prepared to take the risk in loaning you money needs to be convinced that the business has a good chance of being successful and they have a more than average chance of recovering their money with interest. You must research the general accepted lending criteria of investors to small business start-up's.

Writing a business plan is merely encapsulating your long term aims and objectives, estimates and forecasts on paper. Once you are satisfied with the final draft, do not accept that is the end of matter, forecasts and objectives change as fresh information emerges and your experience develops, you therefore need to monitor the progress of your business in line with your Business Plan. What your Business Plan will determine is your ability to ensure that the idea you propose does have more than an average chance of being successful.

The Pre-Start Asset and Expenditure and the Business plan template can be found in the appendix of this handbook:

### 3. OBJECTIVES OF THE PLAN

- 3.1 To use within the business to keep yourself on a planned course of action.
- 3.2 To alert you to situations which are not going according to the plan.
- 3.3 To persuade outside investors to invest **£30,000** to match your own **£30,000** to launch your business. These amounts are minimum amounts. Investment finance from both parties can be more, but not less than **£60,000**.
- 3.4 To identify Key Performance Indicators (KPI's) that will monitor the current health and progress of the company giving assurances and also early warning of any potential dangers that may effect the business.  
**To achieve these objectives successfully you will need to:**
  - a) Show that the lender or investor stands a good chance of being paid back with interest the finance capital that has been advanced to the business.
  - b) In-still confidence about your abilities to manage your business and if applicable indicate that you have the beginnings of an efficient management team.
  - c) Demonstrate that there is good market potential for your product or service.

### 4. ASSESSMENT

- 4.1 In a group of three/five people you are to submit a detailed business plan of not more than (30 pages including any necessary appendices) of A-4 size sheets of paper, using 12 font characters. Your plan is expected to show vision, knowledge and skills gained from other modules you have studied and to identify the short coming's of your experience of managing your own business and what you are prepared to do to rectify this problem associated with the industry/service of your choice.
- 4.2 Demonstrate your ability to compete in your chosen business sector with a structured analysis of the competition and identify your Unique Selling Point (USP)
- 4.2 Marks will be awarded for the quality of your presentation and the written work together with the depth and breadth of analysis evaluation and conclusions of your business idea which will have made allowances for any particular problems you expect to face in becoming part of your chosen industry. Special consideration will be given to the source of your information and the appropriate acknowledgements.

N.B.

**Successful completion of your Business Plan will only be confirmed if you are able to convince your module tutors that your idea warrants a £30,000 minimal investment from outside sources - to match a similar figure to that which the enterprise group will be putting in to the business themselves from their own liquid assets.**

## 5. AWARDING OF MARKS FOR THE PLAN

- 5.1 An executive summary of your plan, highlighting the attractions of your business, this should include what and where is your business, who are your customers and suppliers. What is the potential for expansion, capabilities of your Partnership team and a brief account of your need to borrow money.

Marks (10)

- 5.2 A description of the product/service, why is it unique, what are it's USP's, why will it appeal, and what benefits is it to customers, how will it be developed and how well will it stand up to your competitors

Marks (20)

- 5.3 A detailed account of the market and the market research undertaken what qualitative and quantitative research was necessary. What analysis and evaluation strategy has been applied, detailed sales planning must also be incorporated into the marketing plan

Marks (20)

- 5.4 Details of operations, given a 25 mile radius, describing location, suppliers, equipment and manufacturing facilities if necessary.

Marks (10)

- 5.5 Financial Analysis: consisting of a forecasted Partnership Profit & Loss account and Appropriation account. A Partnership Balance Sheet for the first year in business. Complementing these financial statements a cash flow forecast for one year and break-even graph will be required.

Marks (30)

- 5.6 Documented evidence of your research in producing your Business Plan to include books, journals, publications and web sites.

Marks (10)



## 6. HOW TO DO IT (1)

### The Business Plan structure and content

A list of contents to include reference to the main text and also any supportive data i.e. appendices.

A full template of the business plan and marketing plan appears in the appendix. These plan formats must be strictly adhered to as the teaching group will be reviewing numerous plans.

### Executive Summary & Introduction

An introductory page which will outline the nature of the business, the market, target market and location & why it is better than the competition, how much finance will be needed and for what purpose and for what period. A list of contents of the plan would be useful here.

### The Borrower of money:

Brief personal details of the would be owners of the business: qualifications, expertise, contact addresses and telephone, fax and e-mail numbers.

### The Business:

This section will give details of the background to the business, its legal entity (Partnership in this case), the length of time the business has been trading (if this is the case), the premises the business will occupy, insurance arrangements and the personnel required.

### The Product/Service:

This section will include a description, in layman's language of the product or service. It will include any promotional literature or illustrations that may be available. A positive approach is recommended: this section should state why the product or service is good.

### The Market:

This section should show that detailed research has been carried out into the relevant market you propose to offer your product/service. The following questions should be asked;

- . Who are the competitors? Why is the proposed product/service better than the competitions?
- . What market share is the business aiming at? Is the market growing?
- . What is the pricing policy? Is it competitive?

- . Are there any orders already promised or received?
- . What are the projected sales figures for the next six to twelve months?

#### Financial Considerations:

The prospective lender of money will want to know:

- . What credit will be given to the business by suppliers?
- . What credit will the business give to customers?
- . what assets do the business own? What is their value? Are they mortgaged?

#### Assets Required and Financial Needs:

This should be a summary,

- . The medium/long term requirements, and the purpose, e.g. premises, machinery and vehicles.
- . Means of payments.

#### Financial Projections – Format:

- . Financial projections will normally include a six or twelve month projected profit & loss account and a cash flow forecast. What is the format for these forecasts? The answer is that there is no standard format.

## HOW TO DO IT (2)

### The Marketing Negotiation Presentation (appearance, structure and content)

Your group will be presenting the marketing plan to two tutors therefore two copies of the marketing plan should be made available prior to the presentation. These act as potential lenders and may question all members of the group during and after the presentation to further clarify different points. The template for the marketing plan appears in the appendix. After the presentation, key material from the marketing plan will be migrated into the overall business plan.

First impressions are all important. The first thing prospective lenders and investors will see is your presentation of the contents of your Marketing Plan. You must impress the panel during the presentation, your market research in terms of secondary and primary research methods used and their analysis and the competitive elements and your ability to compete in the business sector you hope to enter. Later this will form an important part of the final Business Plan (template in appendix).

Practice your presentation of your Marketing Plan. Do this by asking colleagues or friends to role-play or see if a counsellor from an enterprise agency who deal in marketing plans will take you through it.

The next step will be a face-to-face encounter when you present to members of the teaching staff on this module. Get the facts at your fingertips. Your plan may look good, but if you sound unsure or muddled about details, doubts about your knowledge of the market and the quality of the research that you have undertaken may be questioned.

Be clear in your own mind what is interesting or exciting about your proposal. Do not get so bogged down by the details so that you cannot bring out the really important points of your Marketing Plan. Listen carefully to any questions that are requiring details or elaboration and make sure you answer what you have been asked.

If you are asked for any further information, make sure it is as well researched and well presented as the rest of your plan and provide it quickly. Do not be too defensive about your idea; assume beforehand that it will be critically assessed.

Any statements that are made during the presentation or shown on slides, should be supported by research showing the sources. Any information such as data, statistics or population details for example, should show the source of the information.

## HOW TO DO IT (3)

### Project Management Diary

The Project Management details are to be recorded on a regular basis after the Entrepreneurship group have conducted a series of meetings after which a series of minutes should be written by one member of the group after each meeting. The project Management diary should be submitted along with your Business Plan and the Peer Assessment on the designated date. A template of what should be reported in the minutes of each meeting appears in the appendix of this module handbook.

Most weeks the group should be meeting at least once. This may need to increase to twice or more, especially prior to the marketing plan presentation and the final weeks before the hand in date of the business plan.

The contents of the Project Management diary should be consistent of a number of generic entries such as titles and roles of each Partner in the business and the basis for such selection. The processes used for elimination to define the idea, business name, location, resources, operations and decision making policies.

Details of the Partnership Agreement would be expected to have been decided during these meetings. The basis for agreement will need to be recorded in the diary. The partnership agreement template appears in the appendix and should be personalised to your group and the basis on which you have decided to work, apportioning operational business duties, salaries and the like.

The last entry in your diary should reflect on the background experience that you have gained in producing the plan for your business and the trials and tribulations of working with others and how you would do things differently if the opportunity presented itself.

### RE-SIT ASSESSMENT

The assessment for any student who fails the module will take the form of an individual case-study assignment. A number of questions will be set focussing on Enterprise issues. The learning outcomes expected from the re-sit paper will be to identify the characteristics of the Entrepreneur in question, identification of the problems be-setting the business and to put forward a rationalisation plan to steer the business on the right course.

## 7. MODULE FEEDBACK

### Student Feedback:

Students will be issued with the Business School's generic multiple choice feedback form for their completion some three weeks before teaching of the module is completed. Students will be asked to return the completed form's to the Business School reception in the Octagon.

### Module Leader Feedback:

As this module is a first semester module the written feedback form sent to students will reflect the provisional grade given for the module. On receipt of the form students if they so wish may request further clarification through a counselling session with the module leader.

## 8. PAST/RESIT-ASSESSMENT

### Module Assessment (first attempt)

As the Enterprising Management module assessment seeks to identify possible new business start-ups, the Business Plan and the Marketing presentation form the basis for assessment which focuses on content and originality therefore the basic instruction does not change year on year.

Past Business Plans will be made available for guidance. The module handbook clarifies what is looked for in the assessment thoroughly any additional guidance required by students to assist them in completing the current year's assessment will be accommodated by students arranging meetings with the modules consultant.

### Module Assessment (re-sit, second attempt)

The original assessment for this module was through group work. As the assessment requires a peer assessment form to be signed by the majority of the group some students in the group could find that they have actually failed the module whilst other students from the same group have passed the module. As this circumstance does happen from time to time it was decided that students who failed the first attempt would be asked to complete an individual case study assignment as their re-sit attempt.

## **9. Information not covered in this module That should be given attention when formulating your business plan**

### **INSURANCE & LEGAL REQUIREMENTS**

There are two different categories of insurance

- . Insurance you must have by law
- . Insurance you could consider to cover risk and disasters

#### **Insurance you must have:**

Employers liability

Motor insurance

Contract insurance

Engineering equipment

#### **Insurance you should consider:**

Fire and other perils

Insurance against loss of profits

Insurance against theft

Insurance against loss of money

Insurance on goods in transit

Credit insurance

Public & Product liability

Professional indemnity

Legal expenses

Keyman insurance

There are numerous other insurances that should be considered before setting up in business. A list of these can be found in the recommended textbook under insurance.

### **LEGAL CONSTRAINTS YOU SHOULD BE AWARE OF TO INCLUDE:**

Health & Safety  
Licences  
Business Registration

### **KEEPING THE RECORDS STRAIGHT**

It is essential that all businesses keep records of their business affairs, be it the one person business that deals solely in cash transactions to the multi-national business which operates globally, dealing in different currencies in spot and futures markets and dealing in long term credit arrangements.

Records need to be kept for Purchases and sales for cash or on credit

If employed record of petty cash need to be adopted

All assets must be kept on record identifying the Net Realisable Value (NRB)

Records should also be kept using:

Purchase orders

Sale Invoices

Employee time sheets

Petty cash vouchers

Wages records

Stock and inventory control records

## **BUSINESS TAXES**

Students, studying this module should make themselves aware of the different taxation measures by reading the core text chapter on tax:. In particular make yourself aware of when:

You have to pay Income tax

How to work out the Income tax bill

Business expenses

Capital allowances

Losses on employing the self employed

National Insurance contributions

Capital Gains tax

Taxation for Sole Traders, Partnerships & Companies

Property Income

**VALUE ADDED TAX (VAT) warrants a separate section on its own and needs to be understood if your business is expecting to sell products or services over a certain amount. If in doubt read the VAT section in the core text book**



## Appendix one:

# Enterprising Management

## Business Plan (Front-Sheet) Template

### Academic Year 2009/2010

---

|                 |               |
|-----------------|---------------|
| Level (H) Code: | Student Names |
| BsB10295-3      |               |
|                 |               |
|                 |               |
|                 |               |
|                 |               |
|                 |               |

| Outline Business Description |  |
|------------------------------|--|
|                              |  |

**Date:**

**Group Number:**

**ENT:**

## **Appendix: 2**

### **Enterprising Management Business Plan**

Type the plan using the following headings and generate the level of detail suggested below for each section of the plan. Templates of financial documents are provided.

Front page should contain:

Level (H) Module code

Outline Business Description – one paragraph

Student Names

Date of Plan

Business, (ENT) Group No (this will be allocated to you)

The remainder of the plan should run as per lecture/tutorial notes and use the same headings, with the level of detail or template noted by each heading. Each section should start on a fresh page.

The majority of the headings should be addressed. Obviously, if there is no design or manufacturing process involved, these headings will not be addressed.

For the remaining sub-headings in each section, these should be answered only if appropriate to the overall business idea, objectives and operation of the group. There will be no penalties for missing any of the sub-headings, nor any advantage in answering anything that is not appropriate to an individual plan.

Templates are given for the financial summaries. Please note that the Cash Flow Forecast must have an attached sheet showing the split of salary per partner, which is a breakdown of the total sum allocated under 'drawings' on the Cash Flow Forecast. The Balance Sheet must show any capital investment amounts input by each partner and the share of profit per partner. Profit & Loss Statement must end with an appropriation of profits (i.e. salaries for each partners) and a breakdown of the share of profits per partner.

## APPENDIX: 3

### Marketing Section

For the marketing section, which has to be completed early in the module, your group should make a thorough investigation of your chosen market sector. The plan should show your research strategy: organising the research, tasks, secondary and primary research, questionnaire purpose and design, actual questionnaire and analysis of returned data.

The marketing section of the Business Plan should carry sufficient content to support the verbal presentation made earlier in the semester. The marketing presentation information should be kept and used to support the business plan when meeting academic deadlines. Each group will make a presentation of their marketing plan in week eight.

Any taught examples from the module can be referred to or adapted as an aid to completion of both the marketing and the overall business plan.

Headings are as outlined in the following pages.

Once the presentations have taken place, the groups should note their feedback and amend their marketing plan as appropriate. The amended plan should then be submitted as an appendix to the Business Plan. Key points from the marketing plan should be raised in the Business Plan, where appropriate.

As the market research element of the plan will include primary research which may include sensitive information, student groups should follow and include a completed ethics short form.

A PowerPoint or similar presentation should be given by the group to members of the module staff.

**N.B.1: The marks given for your marketing presentation will be based on your verbal presentation only, the plan is to be used as an additional reference for the panel**

**NB2: All written work submitted for assessment should be clearly referenced to the main text and appendices. The plan should have a comprehensive contents page and have numbered pages throughout .**

## Appendix: 4

### Business Plan Contents

1. Overview/Executive Summary  
Purpose of the plan – objectives for finance  
How much finance is required and what for (detailed on template 1)  
Brief description of the business and its market  
Highlights of financial projections – what the money is for
2. The Company and Its Industry  
Purpose of the company – how it intends to serve the market, how it intends to grow, how it intends to differentiate  
History of the company  
Past successes of the company  
Discussion of the industry – history of market and customers
3. The Products & Services  
Description of the products/services and applications  
Distinctive competences of uniqueness of product/service  
Technologies and skills required and present in the business  
License/patent rights  
Future potential
4. Marketing  
Market positioning – your unique selling proposition, i.e. your critical product, service characteristics, or uniqueness in relation to competitors  
Pricing Policy  
Selling and distribution policy  
Advertising and promotion  
Product/Service support policy
5. Design & Development (if appropriate)  
Stage of development  
Difficulties and risks  
Product/service improvement  
Product/service development for future

6. Manufacturing and operations  
Premises and location  
Other facilities  
Production/service capacity  
Source of supply of key materials or workforce  
Use of subcontractors  
Nature of production process – machinery in use
7. Management  
Owners/directors and other key management  
Expertise and track record (CV in appendix for each person)  
Key management compensation (salary/car/share packages)  
Summary of staff numbers and recruitment plans  
Training policies  
Consultants and advisors
8. Financing Requirements  
Funds required and timing (total sum or staged payments)  
Anticipated gearing (investors usually match no more than the value of partners investments and fixed assets)
9. Detailed financial plan for 1 year  
Profit & loss 7 Appropriation Account  
Cash flow Forecast  
Partnership Balance sheet

*Templates are provided for these financial reports.*

*IMPORTANT NOTE: The final figures on each of these should then be split in liability or profit terms between the partners in a pro rata basis according to their percentage share in the business.*

10. Items frequently included in appendices  
Technical data on products  
Details on patents  
CV's of key managers (*must have*)\*  
Organisation charts  
Name of accounts, solicitors and banks

# Appendix: 5

## Ethics Short Form

### The Ethical Approval of Research Projects Short Process Checklist Page 1 of 1

Staffordshire University Business School  
Research Ethics for Student Projects and Dissertations

Checklist to be completed for approval. No primary work to be undertaken without approval.

Student name :  
Module :  
Project title :

Who are the participants in this research? Please detail below, including individual respondents and organisations. ("Nil" if no primary or unpublished secondary data)

How will the participants be briefed and their consent obtained?

Are any "special" ethical issues or risks involved? (E.g. physical hazards, inconvenience to respondents, deception). If so, describe below how these are justified and dealt with in the context of this research.

How is the collected data to be stored and analysed in order to maintain security? Who has access to this data?

Are there any restrictions to be made on the availability of the final report in order to preserve confidentiality?

If work-based, student to state that any work-based ethics policies are not contravened by this project

I undertake to carry out the project described above and in accordance with University ethical principles. If any changes occur in the details above then it is my responsibility to inform my supervisor and if the changes are agreed to be significant then to revise the form as appropriate.

Signature of student

Date

I have examined this proposal, confirm the details as appropriate and agree that the work described may now commence.

Signature of supervisor  
For and on behalf of Staffordshire University

Date

- Short Form: last revised August 2003

## Appendix: 6

### **Partnership agreement template (see example on next page)**

**Each group should draw up a partnership agreement and include it in the Business Plan appendices which shows clearly the key roles and responsibilities of each member of the group.**

**The group should put together a formal agreement which all should agree and sign. The agreement should include the following information:**

The partnership agreement is intended for a group of individuals who wish to start a business together and share the company profits. It is important when creating a joint venture that each individual is aware of his / her rights and responsibilities such an agreement provides clear reference on how the individual members must conduct themselves in relation to the running of the business. The agreement further defines the procedures that must be regarded if the company is dissolved or a partner retires or commits a breach of the agreement.

The following document is applicable for the establishment of a **partnership in England and Wales** and can be easily modified to accommodate for any number of partners. Each group should modify the individual clauses of the agreement to suit your purpose.

Below are the key features of the partnership agreement. The group should formalise statements on how they will operate individually (showing key roles and responsibilities for each group member) and as a group.

- Control over meetings and resolutions – how issues will be resolved, i.e. majority vote or another way to resolve differences.
- Code of practice – how each group member should treat others within the partnership
- Retirement and dissolution – the exit plan for anyone wishing to leave the group, how their capital outlay and subsequent profits or losses should be apportioned.
- Banking details
- Input of capital from each partner – details of each partner's investment and rules for additional investment if necessary from each group member
- Individually specified salaries – who is getting what, according to investment and responsibilities within the operation
- Confidentiality – how group members should behave with important and confidential documents, knowledge and meetings

- Non-solicitation of customers – any group member wishing to leave the company and the policy for not taking customers with them to a new company.
- Administration of accounts – how the accounts will be recorded, audited and agreed
- Apportionment of profits and losses – the measure of financial risk for each group member

### **EXAMPLE PARTNESHIP AGREEMENT**

THIS PARTNERSHIP AGREEMENT is made this day of the ?

BETWEEN:

- (1)
- (2)
- (3)
- (4)
- (5)

IT IS AGREED as follows:

**1. Partnership**

- 1.1 The Partners shall carry on in Partnership the business of..... under the name of .....? (which at all times will be partnership property) or such other places as the Partners shall agree.
- 1.2 The Partnership shall commence on the date of this agreement and shall continue until it is terminated as provided in this agreement.

**2. Financial**

- 2.1 The capital and the profits of the Partnership shall (unless the partners agree) belong to the Partners in equal shares and they shall bear all losses in the same proportion they would share any profits.
- 2.2 The Partners shall keep books of accounts and such other records as are usual in a business of the same type as the Partnership business and such accounts shall in addition show the account of each Partner in respect of his/her share of the capital and the profits of the Partnership.
- 2.3 The Partners shall open an account in the name of the Partnership at.....? cheques drawn on such account shall be signed by one of the Partners provided that any cheque in excess of £5,000 shall be signed by all of the Partners and any other instruments of instructions given in connection with such account shall be signed by all of the Partners.
- 2.4 The Partners shall appoint.....? Or such other firm of Chartered Certified Accountants as they from time to time agree as auditors to the Partnership.
- 2.5 The financial year of the Partnership shall end on the 31<sup>st</sup> of March and an annual Balance Sheet and Profit & Loss account shall be prepared as at that date as soon as possible afterwards showing what is due to each Partner in respect of the capital and profits of the Partnership but shall make provision for goodwill. Such a Balance Sheet shall be forthwith signed by each Partner who shall be bound by the contents Of the Profit & Loss account and Balance Sheet unless some manifest error is found within six months after he/she has signed in which case such an error shall be rectified.
- 2.6 Each Partner shall be entitled to draw out of the Partnership Bank account, on account of his/her share of the profits the sum of £1,000 per month or such other monthly sum as shall be agreed between the Partners. As soon as all the Partners have signed the Balance Sheet they shall agree to make such further drawings (or repayments as the case may be) in respect of capital or profits or both as are prudent in the circumstances having regards to the requirements of the Partnership business. Except as provided in



this clause 2 or with the agreement of each Partner, no Partner may withdraw capital from the firm.

**3. Relationship of the Partners**

3.1 Each Partner shall be just and faithful to the other and shall devote his/her best efforts (and whole time and attention) to the Partnership business.

3.2 No Partner without the consent of the others:

3.2.1 engage or dismiss any Partnership employee or

3.2.2 become bail or guarantor for any person or

3.2.3 lend any Partnership money or property or

3.2.4 release any debt due the Partnership or

3.2.5 assign mortgage or charge the profits or assets of the Partnership or any part of them or his/her interest in the Partnership or any part of it or

3.2.6 reside more than 40 miles from the business location.

**4. Holidays**

Each Partner shall be entitled to take in each calendar year annual holidays amounting to four weeks in the aggregate (inclusive of public holidays) of which not more than two weeks may be taken consecutively.

**5. Retirement**

A Partner shall retire at the end of the financial year during which he/she reaches the age of 60 years as if he/she has given notice under clause 8.1 to that effect.

**6. Expulsion**

If either Partner shall:

6.1 commit a serious breach of any of the provisions in this Deed resulting in the Partnership suffering a material disadvantage or

6.2 failing to account for money received by him/her in respect of any Partnership transaction or

6.3 fail to pay to the Partnership within thirty days of being requested in writing to do so any sum owed by him/her to the Partnership or

6.4 have no reasonable prospect of paying or being unable to pay his/her debts the amount aggregate amount of which equals or exceeds the bankruptcy level (within the meaning of the Insolvency Act 1986 section 267) or enter into a compromise for the benefit of his/her creditors generally or

6.5 be convicted of any criminal offence other than a minor motoring offence or

6.6 become a patient within the meaning of the Mental Health Act 1983 section 94 (2) or

6.7 suffer any act which would be grounds for dissolution of the Partnership by the court or be incapacitated from attending to the Partnership business for twelve consecutive months. The other Partners may at any time within three months after becoming aware of such breach of notice in writing given to the Partner(s) concerned expel him/her from the Partnership.

**7. Termination**

7.1 In this clause "the outgoing Partners" means a Partner who ceases to be a Partner by reason of his/her death or bankruptcy or in accordance with any provision of this Deed and "the continuing Partners" means the Partners in the Partnership with the outgoing Partner immediately before such termination

7.2 The Partnership may be terminated by any Partner giving to the others not less than three weeks notice in writing at any time.

7.3 If the Partnership is terminated in any way then the continuing Partners must then within one month after the notice was given or the event occurred which gave rise to the termination give notice to the outgoing Partners or his/her personal representatives, trustees or receivers as the case may be electing to either have the Partnership wound up under the Partnership Act of 1890 or to purchase the share of the outgoing Partners at the net value of such share.

7.4 The net value for the purpose of clause 7.3 shall be agreed between the Partners or their respective successors in title (as the case may be) or in default of such an agreement shall be determined by the Partnership's accountants. In so determining the accountants shall act as arbitrators and their professional charges shall be borne by the Partners in equal shares.

7.5 In agreeing such net value no goodwill of the Partnership shall be taken into account...

- 7.6** On a purchase of a share under this clause<sup>7</sup> the purchase money shall be paid within 6 months after the value thereof is agreed or determined and with interest at the base rate of the Partnerships bankers plus two per cent from the date of termination until the date of payment.
- 7.7** If the continuing Partners shall elect to purchase of the outgoing Partners:
- 7.7.1** at the request of the continuing Partners the outgoing Partners shall join with the continuing Partners and with any person or persons who may enter into Partnership with the continuing Partners on or after the termination in making any election for the purpose of section 113 (2) of the Income and Corporation Taxes Act 1988.
- 7.7.2** The continuing Partners shall keep the outgoing Partners and their estate and effects indemnified from and against the amount of:
- 7.7.2.1** any taxation which the outgoing partners may be required to pay in respect of their share of the profits of the business for the financial year in which the termination occurs in excess of the taxation which would have been payable by them had they remained a Partner.
- 7.7.2.2** any taxation suffered by the outgoing Partner which they would not have suffered if they had not joined in making the election referred to in clause 7.7.1
- 7.7.3** The continuing Partners shall pay and discharge all debts and liabilities of the Partnership at the termination except any debt of liability in respect of income tax attributable to the outgoing Partners share of the profits of the business and except any debt or liability in respect of claim arising from any negligent or wrongful act or omission of the outgoing Partners to the extent that such claim is not covered by insurance and shall keep the outgoing Partners indemnified from and against such debts and liabilities except as foresaid and all actions proceeding costs claims and demands in respect thereof provided that nothing in this deed shall be construed so as to remove any lien that the outgoing Partner may at any time have over the Partnerships assets.
- 7.7.4** The outgoing Partners shall on or before payment of the purchase price of their share in the Partnership deliver up to the continuing Partners all correspondence and other documents papers and records (in what ever these may be stored) relating to the Partnership business which may have been prepared by them have come in to their possession while they were Partners and the outgoing Partners shall not retain copies of them. Title and copyright in such documents shall vest in the Partnership.

## **8. Insurance**

Each Partner shall carry life insurance in the sum of £200,000 transferring the benefit of such insurance to the other Partners.

## **8. Covenants**

Each Partner covenants with the other Partners that: (except where they are expelled from the Partnership without first having been given an opportunity to learn of and respond to the reasons for their proposed expulsion or where the Partnership is wound up or dissolved) with in a period of four years from the date of termination of the Partnership they will not either on their account or jointly or in conjunction with or on behalf of any other person firm or company whether directly or indirectly engage in any business in competition with that of the Partnership within a radius of forty miles of.....? Or such other address at which the Partnership business may be carried on at the termination.

## **9. Notices**

Any notices given by any of the Partners shall be served by personal delivery or by pre-paid recorded delivery post to the address of the other Partners as set out in this agreement or as notified for that purpose from time to time. Any notice shall be deemed to have been effectively served (in the case of pre-paid recorded delivery post) forty eight hours after it has been placed in the post

10. This document is intended to operate as a Deed.

IN WITNESS whereof the Partners have signed this Deed this day and this year.....?

SIGNED as a Deed by the said:

Name:

Address:

Occupation: Commissioner of Oaths

## **Appendix: 7**

### **Project Management meetings**

Each time the group meets, it should record the following in a formal record of the minutes of the meeting.

Meeting time, venue and date

Person or persons chairing the meeting

The names of the group members present

Minutes of the last meeting should be read out and agreed by the members, with one person formally agreeing the minutes as a true record, and another group member seconding the agreement. The names of the persons agreeing and seconding should be noted in the current meeting notes.

The group should then review action points arising from the last meeting, who was responsible for each action and progress on each action point. The updates should all be recorded in the current minutes.

Any new action points set for completion before the next meeting should also be noted, along with the person responsible for that action and any key deadlines.

'Any other business'? should be asked, so that any group member wishing to raise anything not covered.

The meeting should formally close with the next meeting date, time and venue being agreed and noted.

**In the very first meeting it is important for the group to decide on key roles and responsibilities for each group member.**

Template 1.

## PRE START ASSETS AND EXPENDITURE

- A. Pre owned – current assets:
- B. To purchase before start of trading:
- C. Expected purchase date:

| ITEM                   | A | B | C |
|------------------------|---|---|---|
| Plant                  |   |   |   |
| Machinery              |   |   |   |
| Equipment              |   |   |   |
| Furniture              |   |   |   |
| Tooling                |   |   |   |
| Stock/materials        |   |   |   |
| Fixtures/Fittings      |   |   |   |
| Vehicles               |   |   |   |
| Computers/Tech Eqpt    |   |   |   |
| Insurance coverage     |   |   |   |
| Telephone equipment    |   |   |   |
| Stationery/Printing    |   |   |   |
| Promotion - Bus cards  |   |   |   |
| Ads                    |   |   |   |
| Professional contracts |   |   |   |
| Registrations          |   |   |   |
| Other                  |   |   |   |

### Pre Start Capital Required:

| Source/Partner Name | Amount | Notes   |
|---------------------|--------|---|
|                     |        | Sources: family, friends, Partners, bank loan, grants, Business angels    |
|                     |        |   |
|                     |        |   |
|                     |        |   |
|                     |        |   |
|                     |        | Pre owned items will be introduced into the business at fair market value |
|                     |        |   |
|                     |        |   |
|                     |        |   |

### Template 2.

## Cash Flow Forecast Example to be followed (covering the period January – December 2010)

[illegible]

Template 3.

## PARTNERSHIP

### Trading, Profit & Loss and Appropriation Account (For period January 1<sup>st</sup> – December 31<sup>st</sup> 2010)

|                                       | £     | £     | £     |
|---------------------------------------|-------|-------|-------|
| <b>Sales Revenue:</b>                 |       |       |       |
| <b>Less Direct Costs:</b>             |       |       |       |
| Opening Stock                         | _____ |       |       |
| Stock Purchases                       | _____ |       |       |
| Less Closing Stock                    | _____ |       |       |
| Equals Cost of Goods Sold             |       | _____ | _____ |
| Sales – Cost of Goods Sold            |       |       | _____ |
| <b>= Gross Profit</b>                 |       |       |       |
| <b>Less Expenses:</b>                 |       |       |       |
| Salaries/Wages                        |       |       |       |
| Rent/Rates                            |       |       |       |
| Utilities                             |       |       |       |
| Repairs                               |       |       |       |
| Motor Vehicle Expenses                |       |       |       |
| Postage                               |       |       |       |
| Telephone                             |       |       |       |
| Insurances                            |       |       |       |
| Interest on Loans                     |       |       |       |
| Adverting & Promotion                 |       |       |       |
| Travel and Subsistence                |       |       |       |
| Bank Charges                          |       |       |       |
| Bad Debts                             |       |       |       |
| Depreciation                          |       |       |       |
| <b>Total Expenses:</b>                |       |       | _____ |
| <b>Net Profit:</b>                    |       |       |       |
| <b>Less Appropriation of Profits:</b> |       |       |       |
| Salary 1                              |       |       |       |
| Salary 2                              |       |       |       |
| Total Salaries                        |       |       | _____ |
| <b>Share of remaining Profit:</b>     |       |       |       |
| <b>Partner 1</b>                      |       |       |       |
| <b>Partner 2</b>                      |       |       | _____ |

**Template 4.**

**PARTNERSHIP**

**BALANCE SHEET**  
**(as at 31<sup>st</sup> December 2010)**

|                                   | £         | £         | £     |
|-----------------------------------|-----------|-----------|-------|
| <b>FIXED ASSETS:</b>              |           |           |       |
| Land & Buildings                  |           |           |       |
| Equipment                         |           |           |       |
| Motor Vehicles                    |           |           |       |
|                                   | _____     | _____     | _____ |
|                                   | _____     | _____     |       |
| <b>CURRENT ASSETS:</b>            |           |           |       |
| Stock                             |           |           |       |
| Debtors                           |           |           |       |
| Cash in Bank                      |           |           |       |
|                                   | _____     |           |       |
| <b>CURRENT LIABILITIES:</b>       |           |           |       |
| Creditors                         |           |           |       |
| Accruals                          |           |           |       |
| Overdraft                         |           |           |       |
|                                   | _____     | _____     |       |
| <b>WORKING CAPITAL;</b>           |           |           | _____ |
| <b>NET ASSETS:</b>                |           |           | _____ |
|                                   |           |           | _____ |
| <b>FINANCED BY:</b>               |           |           |       |
| <b>Partners Capital Accounts:</b> |           |           |       |
| Partner 1                         |           |           |       |
| Partner 2                         |           |           | _____ |
| <b>Partners Current Accounts:</b> |           |           |       |
|                                   | Partner 1 | Partner 2 |       |
| Opening Balance                   |           |           |       |
| Salary                            |           |           |       |
| Interest on Capital               |           |           |       |
| Share of profits                  |           |           |       |
|                                   | _____     | _____     |       |
| <b>LESS:</b>                      |           |           |       |
| Drawings                          |           |           |       |
| Goods for own use                 |           |           |       |
| Interest on Drawings              |           |           |       |
|                                   | _____     | _____     | _____ |
|                                   | _____     | _____     |       |

