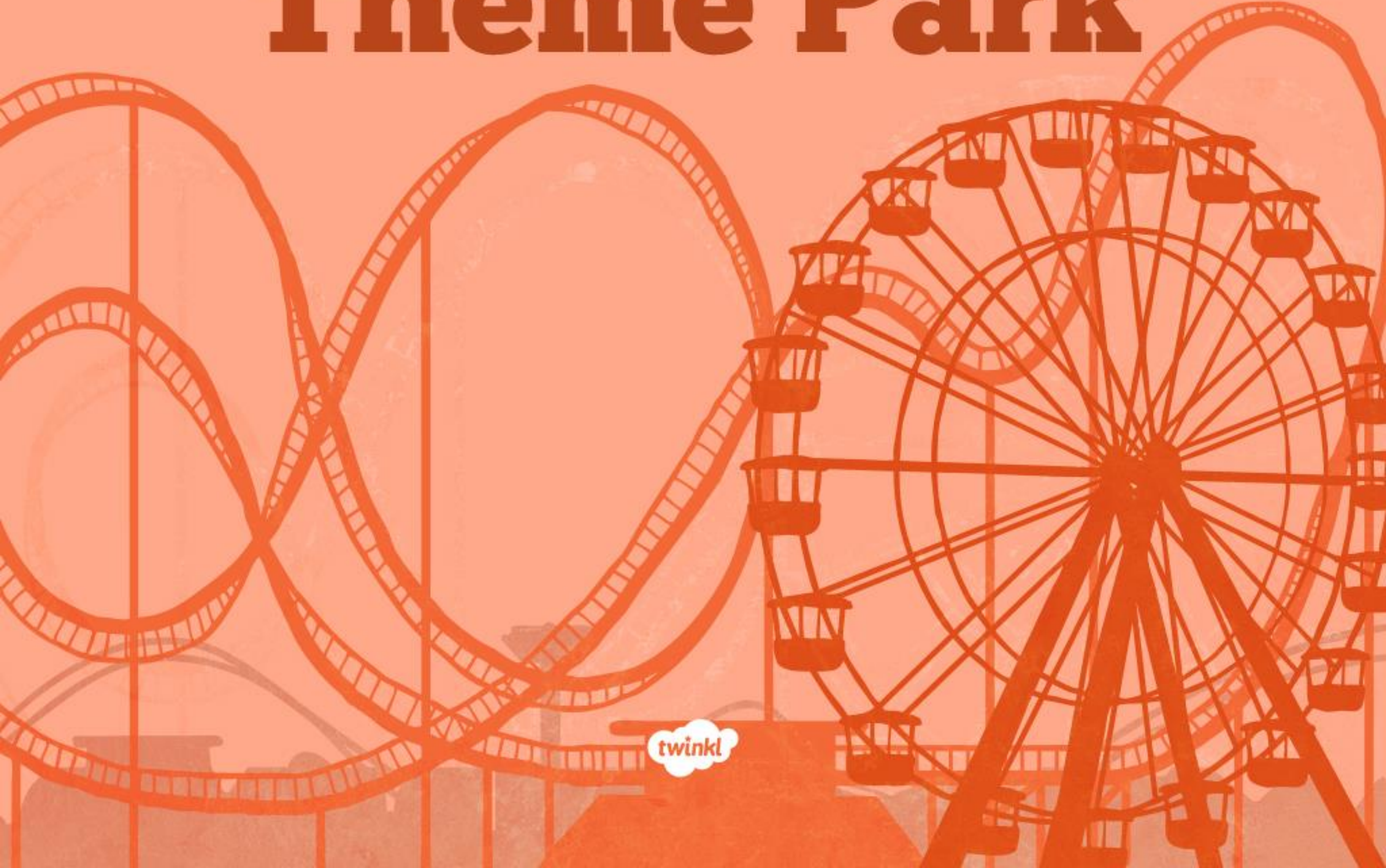
Theme Park



Year 6 Project Pack: Theme Park

During this project, you will:

- Develop your problem-solving and thinking skills.
- Make decisions and choices.
- Strengthen your ability to work collaboratively within a team.
- Use a range of mathematical and literacy skills.
- Have fun!

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Lesson 6: Annual Profits

Time has flown!
Your theme park has now been open for 12 whole months… with some ups and downs along the way (which we will find out about shortly!)

Who will have the most profitable business?

Firstly, let's look at how your advertising choices impacted on your customer footfall in your opening month.

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Customer Footfall

In your first month of opening, your company's advertising choices made a sizeable difference to your weekly customer numbers. Let's see how and add this information to your Annual Profits Activity Sheet.

Do you remember how many daily customers we predicted would visit your park when we were working out entrance prices?
(Look at your Working Out Entrance Fees sheet to remind yourselves how you broke these predicted customers down into predicted adult and child entries).

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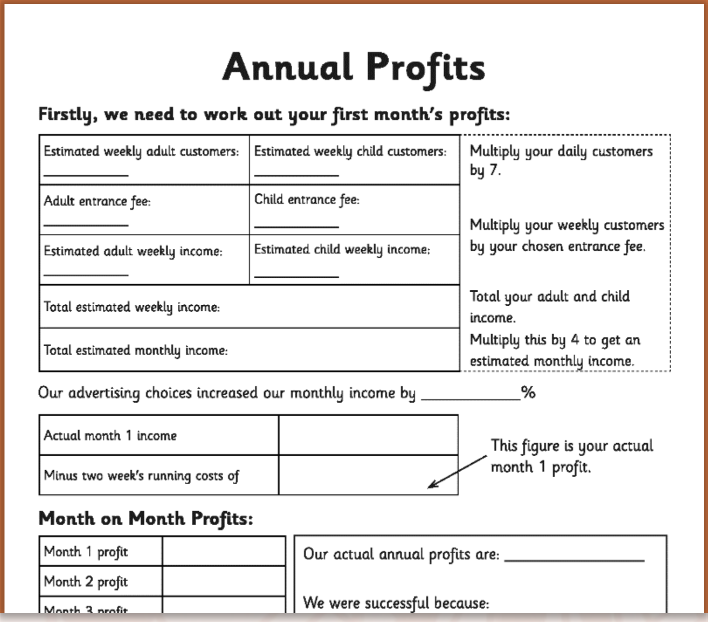

Annual Profits

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

Our actual annual profits are: ________________

We were successful because:

What price did you say you would charge adults and children?

First Month's Estimated Income

We need to do some calculations:

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

But how did your advertising choices impact on your first month of trading?
Let's find out…

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Impact of Advertising

Your advertising choices affected your first month's income 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%

First Month's Actual Profit

Now we have enough financial information to work out your actual month 1 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 2 Profits

In month 2, your profit increased by 5%. But we need to take off a further two weeks of running costs from this profit figure.

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	

For month 2, calculate a 5% increase from month 1.

Then, take off a further two weeks of running costs.
(this is because the initial business loan is no longer covering any running costs).

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Month-on-Month Profits

In months 3 to 6, your profit increased by 5% month on month.
Can you think why that might be?

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	

Calculate your monthly profits for months 3 to 6 and add them to your sheets.

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Month-on-Month Profits

In month 7, at another national theme park, one of their most popular rides closes down. This has a tremendous impact on your sales.

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	

Your month 7 profits increase by 50% from month 6.

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Annual Profits

How would you work out an overall annual profit for your first year of business?

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	

Add together all the monthly profits…

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Reflection

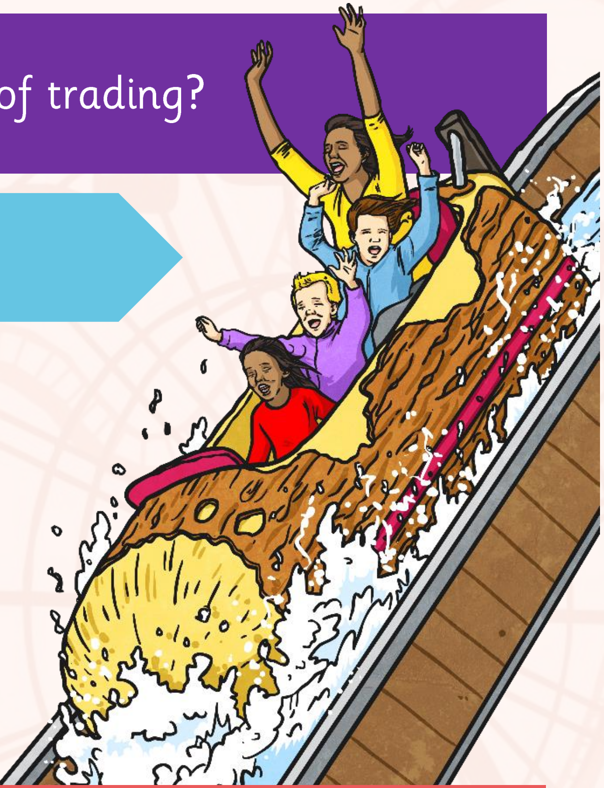
Who has the most profitable business after one year of trading?

Why are they the most successful?

Who was their target market?

How did they advertise?

What was their pricing structure?



Moving on…

- How could you continue on with this project?
- Could you re-invest your profits and improve your theme park? How?

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