

Finance for strategic managers assignment

[Profession](#), [Manager](#)



Financial ratios from published accounts 1 1 assess and finance non-current assets, investments and working capital 14 4. 1 Long and short-term finance requirements for businesses 14 4. Sources of long and short-term finance for businesses 15 4. Importance of managing cash flow and examine cash flow management techniques 16 4. Methods for appraising strategic capital or investment projects 1 7 5 Different ownership structures and the way they influence and measure financial performance 18 5. 1 Corporate governance, legal and regulatory requirements of different business ownership structures 18 5. Accountability for and roles of owners and managers in decision making for different business ownership structures 20 conclusion 21 7 References 22 8 Web References 24 1 Introduction In today's market financial information of a company plays a major role compared to past and this is mainly because of the more volatile environment that companies have to work within. In assessing finance requirements and obtaining funds, reporting and setting up targets and mainly in managing risks this is really important. Also with that it is important to identify different risks related to the company and use them in the future business decision making.

In analyzing financial information it is really important to have properly structured accounts and the ability to calculate different ratios to support business decision making. Sunburst's is the second largest chain of supermarket in the UK and in the market that they operate it is more important to get all these correct in the first place. A company must differentiate their long and short term finance requirements and find different sources as suitable for them and their financial structure. With that

it's also important to get a good understanding different ownership structures and their influential company's financial performance.

In this assignment while giving focus to these different topics they will be matching with Kingsbury activities. 2 The role of financial information in business strategy 2. 1 Need for financial information in business As per Linger (2008), in the modern business era it is clearer that financial information plays a more vital role than the days we came pass by. With the dynamic or volatile economy in each country and with the increase rate of competitors coming into the market without more accurate financial information it would be really difficult for a company to carry on their easiness activities in their environment.

For a company like Sunburst's financial information will be more critical as they operate in a sector where there are many players as well there is a high risk in operating of losing out profit if they are unable to plan out the requirements properly. These financial information are important in assessing financial requirements where for Sunburst's it will about funds required to obtain more market share, different sectors they haven't looked into yet. In doing this financial information will also be helpful to decide in obtaining finance for those acquirement as they prefer.

Figure 2. 1-1: Source: 2014 Annual report of Kingsbury According to Scarlet (2009), these financial information is also important in giving a detailed report to the owners/shareholders and the other stakeholders to get a more clear idea about what is happening with the company in the market.

Financial information is also helpful in setting and meeting targets where

with the proper financial information management will be able to see where they can set high targets and standards to achieve while where to set a much lower standards and targets.

If a company is able to ether necessary financial information in appraising projects they can take a better decision with the funds they will be available to select the most suitable project. And also with the proper information managing risk will be able to handle in better way. 2. 2 Risks related to financial and business J Ginsburg Pl. Is engaged in grocery and related retailing. The Company is organized into three segments: Retailing (Supermarkets and Convenience); Financial services (Sunburst's Bank joint venture), and Property investments (The British Land Company PL joint venture and Land Securities PL joint entire).

When we see into different market that they do operate we can see number of risks that they are operating with. In terms of strategic and market, compliance, operational there are different risks that Ginsburg Pl. Is facing. (Annual report, Ginsburg PL (201 3/201 4)) Under strategic there are many types of risks that Ginsburg could face and one of the main risk is failure in different investments due to not analyzing the available financial information or not having financial information.

In marketing not having proper details about how the market operate will lead to number of risks and also in terms of operational buying unwanted stocks for supermarket chain will lead to lose profits with not undertaking detailed financial information (Rhodes, 2010). The risk management process is closely aligned to Assassins strategy. Risk is an inherent part of doing

business. The management of these risks is based on a balance of risk and reward determined through careful assessment of both the potential likelihood and impact as well as risk appetite.

Consideration is given to both reputation as well as financial impact, recognizing the significant commercial value attributable to the Sunburst's brand. Each principal risk and uncertainty is considered in the context of how it relates to the achievement of the Group's strategic objectives. 2. 3

Financial information required in strategic business decision making As per Jackson (2013), strategic business decision making is where decisions are being taken to decide where company will be operating in the coming future, where they will invest more, etc.

Finance department Of a company plays a more vital role compared other departments of the company. Profit and loss accounts will give the company details about how the company make use of its financial resources, efficiently or not. These strategic decisions are taken at the highest level of the management and these decision making process usually includes CEO, board of directors and also other higher level management employees. These decision are taken about the future of the company may be over months or years.

For Ginsburg PL chairman and CEO along with the rest of the management board will take decision for the company behalf of the owners. In these decision making financial information will play a really good role in assessing their decisions. These financial details will guide them to decide whether to array out different sections of the company or not to, where to invest more,

which market they should be targeted into, and which products of them will need more attention and which will gain more demand in the future.

Also if they are underperforming these information will guide them to correct those problems and go ahead. 3 Analyses financial statements for strategic decision making purposes 3. 1 Purpose, structure and content of published accounts According to Dodge (1 997), the main purpose of published account can be taken as to provide information to shareholders/stakeholders and the other users of published accounts. Budgets are plans for the future. This can be included shareholders, potential shareholders, managers, employees, lenders, creditors, suppliers, customers, community, and competitors.

There are different types of annual reports which are main financial statements, director's report, audit report, notes to accounts etc. These main financial statements includes statements of financial position, income statements, sources and statements of cash flows. Financial statements such as the profit and loss account and the balance sheet provide information about past performance. In a company accounts can be taken two types considering the SE of them by managers where they can be categorized as internal management accounts versus published financial accounts.