

# [Overview of the main activities of centrepoint](https://assignbuster.com/overview-of-the-main-activities-of-centrepoint/)

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Centrepoint is the leading charity that helps homeless and socially excluded young people rebuild their lives. The aim of this charity is to raise awareness of the causes and consequences of youth homelessness and social exclusion, this by conducting research and, examining policies and offering practical solutions with provision of a safe home, creating firm foundations by responding to young people in all spheres of their lives should it be practical, personal, social, educational and work; Centrepoint is the UK's leading source of knowledge, command and policy improvement on youth homelessness.

As many companies, the organisation has a canteen facility (Tulip Refractory) that serves hot meals, snacks and refreshments during days of activity, as well as offering catering at some private functions week ends. Over the last five years, Tulip Refractory canteen, which does not charge its products at commercial rates, is encountering losses whereas its sister organisation, Cafi 88 is making profit over the years. The canteen has been unable make loan repayments over the last three years to the head office.

In order to carry on offering this facility, I have been asked to conduct a financial analysis that will help theFinancedirector to make decision while presenting the dossier to the main board. This analysis will come on the form of a report. B. What does this Report Aim for? The aim of this report is to conduct a financial analysis of Tulip Refractory canteen, based on financial statements (Profit and Loss Account), measuring the financial position of the business at the end of its financial year (August 2005).

This will also give an accurate interpretation of the financial performance (Balance Sheet statement) of Tulip Refacactory canteen, providing MDs with tools to make business decision on whether to carry on loans to boost the business or subcontracting to external organisation. This analysis will compare and contrast both the position and performance of Tulip Refractory (that is encountering losses over the last past year) against its sister canteen, Cafe 88 (that is continuing making profits over the years) based on another site.

How this financial analysis is conducted Financial investigation can be conducted in several ways, the most common is using the ratio analysis method which is " a technique for evaluating the financial performance of an entity, with a view to make comparisons with previous periods, other entities and industry averages over a period of time" (Collis ; Hussey. 2007). This technique will consist of comparing and contrasting Tulip's performance to a sister canteen, cafi 88 which operates on a similar basis over the same period. " Ratios can be very helpful when comparing the financialhealthof different businesses" (Tyran, M. 1992: 67).

Ratios are grouped in different categories, reflective of the financial performance or position of the business at a particular period of time. II. Findings Before conducting this thorough financial analysis of Tulip Refractory canteen, it is important to introduce the swot analysis theory of the restaurants in order to establish the pros and cons of having such service within the organisation, as well as understand if there are any opportunities that arise to better and improve the performance of the canteen and finally evaluate the possible threats surrounding the business and turn them to opportunities.