**A2 Business Studies Unit 3**

**Income Statements**

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**Income Statement of Ted Baker PLC for the 52 Weeks ending 27 January 2007**

|  |  |  |
| --- | --- | --- |
|  | **£000s** | **£000s** |
| Revenue | 125,648 |  |
| Cost Of Sales | 51,986 |  |
| Gross Profit |  | 73,662 |
| Operating Costs | 53,612 |  |
| Operating Profit |  | 20,050 |
| Income Tax Expense | 5,634 |  |
| Profit For The Period |  | 14,416 |
| Attributed to Equity Shareholders of Parent Company |  | 14,416 |

Activities:

1. Using the above income statement, calculate the operating profit margin and gross profit margin for Ted Baker Plc.
2. What do these figures show you?
3. How significant do you think the Ted Baker brand name is in achieving the gross profit margin?

Activities:

1. Complete the below Income Statement of Ted Baker PLC for 2007.
2. Calculate the operating profit margin and gross profit margin for Ted Baker Plc.
3. Has Ted Baker become more profitable over time or less profitable?
4. What reasons may there be for this? *Between 2007 and 2008 the minimum wage increased in the UK.*

**Income Statement of Ted Baker PLC for the 52 Weeks ending 27 January 2008**

|  |  |  |
| --- | --- | --- |
|  | **£000s** | **£000s** |
| Revenue | 135,548 |  |
| Cost Of Sales | \_ \_ \_ \_ \_ \_ \_  |  |
| Gross Profit |  | 81,002 |
| Operating Costs | 66,254 |  |
| Operating Profit |  | \_ \_ \_ \_ \_ \_ \_ |
| Income Tax Expense | \_ \_ \_ \_ \_ \_ \_ |  |
| Profit For The Period |  | 12,163 |
| Attributed to Equity Shareholders of Parent Company |  | \_ \_ \_ \_ \_ \_ \_ |