

Worksheet 7: A financial report

1 Read the two financial reports on the next page and answer these questions.

- 1 What business sectors are being reported on?
- 2 Decide if each report is positive or negative.

2 Match these section headings to the four parts of report A (labelled a–d).

- 1 Outlook (its future potential)
- 2 Context (what it does and its history)
- 3 Recommendation (what investors are advised to do)
- 4 Performance (how it is currently performing financially)

3 Look at these expressions from a financial report. In which section of a report from Exercise 2 would you find each expression? Why? What tenses and forms do we tend to use in each of the sections of a financial report?

- 1 ... is currently trading at a loss.
- 2 ... will continue to be a sound investment.
- 3 ... has been well-established in the market since...
- 4 ... should be treated with caution.
- 5 ... may well make a profit in the coming months.
- 6 ... ought to be avoided at all costs.

4 Categorise the words in bold in the report under the headings below.

- 1 a rise / to rise: _____, _____, _____, _____, _____, _____
- 2 a fall / to fall: _____, _____
- 3 a change / to change: _____, _____, _____, _____, _____

5 Match these definitions with the underlined idiomatic expressions in the two texts.

- 1 endured a difficult period
- 2 it used to be a company you could invest in knowing that it wouldn't lose money
- 3 manages to stay clear of problems
- 4 badly affected by the lack of lending in this recession
- 5 a careful, patient, safe policy
- 6 be careful not to invest all or a lot of your money in this
- 7 does business in a lot of different sectors

6 Read the information about Swirling Guitars on the next page. Then write a financial report. Include information about the company's context, its performance and outlook, and provide recommendations for investors.

A Browning Industrial

a _____

Browning Industrial has been a dominant player in the pharmaceutical industry for over 50 years, and has recently **diversified** into cosmetic products such as sun-tan lotions and face creams.

b _____

Once a safe bet, Browning is currently experiencing difficulties. Its recently published pre-tax profits were **down** by 7% from the previous financial year. Hit by the credit crunch, as well as by an **overhaul** of regulations which has allowed rivals to undercut its prices, Browning has had a rough ride in recent months.

c _____

The picture may well improve for Browning in the coming months, but don't bet your bottom dollar on it. The prices of pharmaceutical products are set to **rocket** across Europe, but it isn't at all clear that this will have a positive effect on Browning's profits as much of the money will be siphoned off in government taxes. And Browning remains a bit player in the cosmetics industry, its position squeezed by larger concerns. Basically, Browning will have to ride out the **slump** and hope that the economy gets the **boost** we're all hoping for soon.

d _____

It would be wise to take a wait and see approach to Browning. Given its size and pedigree, it could well prove to be a sound investment in the long run, but at the moment investors should be wary.

B Danner Group

Danner Group's recent acquisition of Lanta Foods has **turned** the company **into** one of the largest concerns in the food processing industry. As well as biscuits, cakes and jellies, Danner now make pet food and crisps. Once a small, German food manufacturer, Danner has **repositioned** itself as a global player in the last decade.

Overseas sales are **growing** rapidly, and the company is starting to steal market share from its competitors. It controls over 30% of the international market with sales of about \$50 billion per annum. As it trades in essential foods, and has its finger in lots of pies, it doesn't seem to be affected by the downturn in the economy. Led by a strong showing in the pet food sector, the company registered an 18% **jump** in net income in the first three quarters of the last financial year before investment gains or losses.

There's no reason to suspect that Danner Group's **climb** won't continue so long as it avoids the pitfalls associated with **transforming** itself into an ever larger conglomerate. It's in the process of acquiring Simon Foods, and will, no doubt, be looking to add further to its portfolio. However, as Danner Group is operating in such a healthy sector, it's in a win-win situation and its stock will continue to **boom**.

We've been advising investors to take an interest in Danner for a number of years as its stock has been such a consistent performer. Although its stock is no longer cheap, its growth prospects continue to be attractive, with profits projected to increase 13% annually for the next few years.

Swirling Guitars Established: 1960

Makers of high quality instruments

Market share: 20% in its home market; 4% worldwide

Sector performance: sales down by 15% in last decade; affected by cheaper Asian imports

Current performance: sales steady for last four years

Outlook: about to launch new guitar; have increased staff in the last year; Christmas approaching

I CAN

structure a financial report ☐

use a range of tenses ☐

use a range of verbs to talk about trends ☐

use idiomatic expressions ☐