

ADVANCED SUBSIDIARY GCE

LEISURE STUDIES

Leisure Industry Practice

G182/CS

PRE-RELEASE CASE STUDY

To be opened on receipt

JUNE 2011



INSTRUCTIONS TO TEACHERS

- This case study **must** be opened and given to candidates on receipt.

INFORMATION FOR CANDIDATES

- You **must** make yourself familiar with the case study before you sit the examination.
- You **must not** take notes into the examination.
- A clean copy of the case study will be given to you with the question paper.
- This document consists of **4** pages. Any blank pages are indicated.

The Fun Factory

The Fun Factory is a facility designed with children in mind. It is a large indoor adventure playground which can be booked to hold birthday parties, celebrations or individual children can attend. It was opened in 2009 by Sally Noble, a mum, who saw a gap in the children's party market.

Sally bought an old warehouse in the centre of a small town, and converted the space into The Fun Factory. The facility itself is suitable as it was designed with children in mind and is fully compliant with the Disability Discrimination Act. Being in the centre of the town means that there is a lot of passing traffic which can see the advertising on the exterior of the building. The downside is the lack of available parking. There is very limited parking on site – 16 spaces; however when these spaces are full customers are asked to use the town's car park, which although inexpensive at 20p per hour, is still a quarter of a mile away. Many parents with young children find this a problem. 5 10

The Fun Factory building is made up of zones with different activities taking place in each zone. The facilities at the Fun Factory include:

- play zone (giant ball pool, indoor climbing frame and slides, soft play area) 15
- arts and crafts zone (equipped with drawing and craft equipment)
- arcade zone
- chill out zone (equipped with bean bags, books and soft toys)
- party zone (separate room for birthday party food)
- food zone (tables, chairs and vending machines) 20
- welcome zone (reception and storage for bags, coats, etc)

The Fun Factory is aimed primarily at children up to the age of 11 with the main customer group being parents and carers with children between four and eight years of age. The majority of customers are within a 30 minute drive of the facility. Sally has done some research and found out that the majority of customers are repeat customers, who take advantage of the membership and loyalty card schemes. 25

Sally is very much aware of the need to have a good understanding of the legislation which may impact on The Fun Factory, such as The Children Act, the Disability Discrimination Act and other relevant legislation. Sally is also aware of the need to keep up to date risk assessments for all of the activities which take place in the facility. 30

Sally has a group of very reliable staff who work both full and part-time. She recognises the strength of good staff and feels that she should look at staff development in order to develop The Fun Factory to its potential. She has discussed the Investors in People award with a local business link officer, and feels it is a standard which she would like to achieve for The Fun Factory. 35

The Fun Factory takes payment for the use of its facilities in a variety of forms. It currently uses a traditional till, as this was the cheapest option when Sally set up the business. Sally is now looking at replacing this system with one which would be able to provide much more detailed information. Another aspect of concern is that of stock control within The Fun Factory. At present stock is maintained on a paper based system, and the lack of storage space is causing problems. Although purposely designed, Sally failed to think of the need for storage space when the warehouse was refurbished and some areas of The Fun Factory have limited storage for stock. 40

Sally uses a variety of financial documents such as cash flow forecasts, profit and loss accounts and balance sheets to aid financial planning. Fig. 1 shows the template of the main headings used by Sally when drawing up The Fun Factory's cash flow forecasts. 45

Sally has noticed a significant fall in the number of customers in the last 12 months. This has affected The Fun Factory's cash flow. Sally now feels that she needs to gather relevant information, look at the product on offer and find out what customers feel about The Fun Factory before undertaking a more proactive marketing campaign.

Fig. 1 Template used to draw up cash flow forecasts for The Fun Factory

Income	Jan – Feb	Mar – Apr	May – Jun	Jul – Aug	Sep – Oct	Nov – Dec
Admissions						
Food zone						
Party zone						
Arcade zone						
Other						
Total Income						
Expenditure						
Wages/Salaries						
Heat/Light						
Rent/Rates/Insurance						
Marketing						
Consumables						
General Expenses						
Total Expenditure						
Net Cash Flow						
Opening Cash Balance						
Closing Cash Balance						

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