



# UNIT 14

## Profit and loss

### Focus

#### Expressions:

We made a profit of £2 million last year.  
 We have (We've) lost a lot of money this year.  
 Expenditure has increased.  
 Turnover is down on last year.

#### Prepare:

... to talk in general terms about the profitability of your business or one which you are familiar with.  
 Bring examples of financial statements to the lesson – from annual reports or from company websites.  
 Refer to the unit Language Summary on page 123.

## 1 Reading

*An extract from a financial statement*

Refer to the glossary on page 158 or use a dictionary. Check that you know these words. Then use them to complete the gaps in the press release.

profit ✓ financial turnover share earnings ended  
 taxation interim

In the **a** ..... *financial* ..... year ended 31st December 20.., the company reported **b** ..... of £250.5 million and **c** ..... before taxation of £25 million and **d** ..... per share of 18.2 pence. The **e** ..... results for the six months **f** ..... 30th June 20.. showed turnover of £121.3 million, profit before **g** ..... of £11.2 million and earnings per ordinary **h** ..... of 10.4 pence.

## 2 Listening

*Key dialogues*

Listen to the dialogues and answer the questions.

- How did last year's profit compare with the year before?  
What would the speaker like to see?
- How much are they over budget on the Riga project?  
Who is the biggest creditor?
- Why is there not much money left in the promotions budget to spend on the Bogota trade fair?  
Is any other money available?



### 3 Study points

#### The Simple Past and the Present Perfect

1 Notice the examples and refer to the Language Notes at the end of this unit.

Profit has fallen. Profit fell last year.  
This year has been good. Last year was bad.

Complete the sentences with a suitable form of the verb in brackets.

If we look at the whole year, there **a** ..... (be) a fall in profits. But turnover **b** ..... (increase).

Profits **c** ..... (be) up sharply in March, but they

**d** ..... (fall) in April and they **e** ..... (end)

the year well down. We **f** ..... (recently/

borrow) €5 million from the bank. We

**g** ..... (already/spend) most of that money

on new plant and equipment. Things **h** .....

(now/get) even worse. The bank **i** .....

(refuse) to lend us any more money.

#### much, many and a lot of

2 Notice these examples. Write a dialogue using some of them. Practise it with a partner.

**a** – How much profit did you make last year?  
– Not much. We didn't make much profit last year.

**b** – How many people work in your department?  
– Not many. We don't employ many people.

**c** – How much money did you spend last week?  
– A lot. I spent a lot of money.

Complete the sentences with *much*, *many* or *a lot (of)*.

e.g. Did you make ..... *much* ..... money last year?

**a** No, not ..... . It was a bad year.

**b** Did you take on ..... new people?

**c** No, not .....

**d** We took on ..... new people.

**e** But we don't need so ..... people this year.

**f** We have closed ..... of our offices.

**g** There's not ..... of our European business left.

#### Everyday financial English

3 Complete the words missing from the table.

to fall	<i>a fall</i> .....	
to <b>a</b> .....	an increase	
to decrease	a <b>b</b> .....	
to audit	an <b>c</b> .....	an auditor
to <b>d</b> .....	a loan	
to credit	a credit	a <b>e</b> .....
to <b>f</b> .....	a budget	
to lose	a <b>g</b> .....	
to turn over	<b>h</b> .....	

4 Fill in the gaps in the sentences below. Choose words from the table.

**a** We only made a ..... of \$50,000 last year.

**b** Our debts ..... by 100%.

**c** Our ..... was down.

**d** We didn't ..... for the ..... in raw material prices.

**e** The banks have refused to ..... us any more money.

**f** The ..... are coming to inspect our books next week.

## 4 Practice

### Talking about financial performance

1 Check that you know these terms. Use them to fill in the gaps.

balance sheet	expenditure	to pay off	over budget
bank loans	debts ✓	creditors	healthy

'Last year was a very good year for us. The **a** ..... has never been so **b** ..... We managed **c** ..... nearly all of our **d** ....., and to clear all of our other **e** ..... Our **f** ..... have finally stopped chasing us for money! The main reason for all this was the dramatic decrease in the price of our raw materials and the excellent market conditions in Europe last year. Consequently, profit was 20% **g** ....., and **h** ..... was well down on what it was last year. We feel that we have now turned the corner, and we expect next year to be even better than this year.'

2 Prepare a brief statement about your own or another company's recent financial performance. Use the language introduced in this unit. Deliver your statement to the group and be prepared to answer questions.

## Language notes

### Simple Past and Present Perfect tenses – examples

We use the Simple Present Perfect to talk about ...

... experiences

e.g. **Have** you **ever** visited New York?  
Yes, I **have**. / No, I **haven't**.

... the unfinished past

e.g. I've **worked** for Datalab for/since

...

They **haven't finished** yet.

... developments

e.g. Prices **have risen** since last year.  
The number of complaints **has fallen**.

... news

e.g. They **have closed** the design department.  
The President **has just died**.

... information

e.g. I **have just seen** Tony Kwon.  
I **haven't finished** work yet.

In US English, the Simple Past is often used for news and information.

e.g. They **closed** the design department.  
The President **just died**.  
I **just saw** Tony Kwon.  
I **didn't finish** the work yet.

We do not use the Present Perfect to talk about a finished time.

e.g. **I changed** my job **last month**.  
(not *I have changed my job last month.*)  
**I saw** Tosca **four years ago**.  
(not *I have seen Tosca four years ago.*)  
**I visited** Mr Schmidt **when** I was in Frankfurt.  
(not *I've visited Mr Schmidt when I was in Frankfurt.*)

See also Language Notes in:

- Unit 3, Past tense
- Unit 7, Present Perfect tense

*much, many, a lot of*

**With uncountable nouns**

(not) much  
how much  
too much  
a lot of  
lots of

**With plurals**

(not) many  
how many  
too many  
a lot of  
lots of

### Affirmative:

I have too much work to do.  
You have given me too many copies.  
The old model makes a lot of noise.  
They have a lot of problems.  
They liked the new brochure a lot/very much.

### Negative:

There isn't a lot of/much rain in the summer.  
We don't have a lot of/much time.  
They don't have many contacts.  
Not many people like the colour of the new catalogue.

### Interrogative and short answers:

How much money do you need?  
(Quite) a lot. Not (very) much.  
How many (people) are there in your department?  
(Quite) a lot. Not (very) many.  
How much does it cost?  
(Quite) a lot. Not (very) much.  
Not a lot.

Are there many hotels in the town?  
Yes, a lot. No, not many.

Do you like working in sales?  
Yes, very much. No, not (very) much.  
Yes, a lot. No, not a lot.