This budget was drawn up to show the minimum we believe is realistically achievable given the current funding available and economic climate. Any extra income we receive over and above that forecasted will be a bonus and if possible, could be put towards outstanding creditors. We understand the company's performance will be assessed at the end of this current financial year. If it is felt we can continue, we can defer the 91/92 royalties.

**Income from Film and Video sales**

The assumption behind the income from this principle activity, is that 16m and video distribution will remain static in the current climate. The figures shown in the cash flow projection are based on C.O.W audited accounts from 89/90 and Circles audited accounts 88/89. Income from the last quarter will not be paid until April and is therefore shown in post march column.

**Catalogues and other**

Income from catalogues is estimated to be £2100. The assumption is that during this trading year we will sell 350 catalogues @ £6.00 per unit item. In the cash flow we have estimated that, around the launch, academic year, and pre new financial year, we will increase sales.

Bank charges are included in this income area and as we anticipate holding no reserves, we have estimated the income to be £100.

The £300 difference accounts for sponsorship and fundraising.

**Circles Debtors**

We feel that not all of the £6497 is realistically recoverable, as some of these debts date back to 1989. It is also felt that workers will not have time to effectively chase all this money and we are now seeking to place Circles debtors list with a factoring company. Approximately £3000 has been deducted from the total amount outstanding to allow for write off's and the Factors percentage.

**Marketing**

Expenditure in this area show a small increase on previous budgets submitted. It was felt that if the company is going to be successful, a good strong marketing campaign will be critical. The large amount of money spent in the first quarter accounts for the Launch. (see Marketing Budget breakdown)

**Circles Creditors**

Ideally, Circles could defer payment to most of its creditors. However, creditors such as the Inland Revenue could force the company into insolvent liquidation. We are now suggesting that we repay most of Circles creditors in this financial year and defer royalties for the year ending 91/92.
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### TAKE TWO

#### 1991/92 PROFIT/LOSS SUMMARY

**INCOME**
- **FILM/VIDEO (HIRE/SALE) £14,700**
- **CATALOGUES/OTHER £2,500**
- **DEBTORS '90/91 £3,500**
- **BFT £28,891**
- **TOTAL INCOME £49,591**

**EXPENDITURE**
- **(DIRECT COSTS)**
  - **VIDEO STOCK £100**
  - **TELECINE £200**
  - **MARKETING £2,000**
  - **FESTIVALS £300**
  - **ROYALTIES £9,450**
  - **TOTAL DIRECT COSTS £12,050**

- **(OVERHEADS)**
  - **SALARIES INC. NI £25,467**
  - **TELEPHONE £1,000**
  - **STATIONERY £500**
  - **AUDIT FEES £1,000**
  - **BANK CHARGES £250**
  - **RENT/HEAT/LIGHT £1,000**
  - **INSURANCE £300**
  - **TRAVEL £250**
  - **SUNDRIES £300**
  - **TOTAL OVERHEADS £30,067**

- **(EXTRA ORDINARY COSTS)**
  - **LAUNCH £3,000**
  - **CREDITORS £13,924**
  - **TOTAL EXTRA ORDINARY COSTS £16,924**

**TOTAL EXPENDITURE £59,041**

**PROFIT/(LOSS)**
- **(−£9,450)** *(see analysis)*
LAUNCH BUDGET

REGISTER COMPANY WITH CHARITY COMMISSION AND CHANGE COMPANY NAME £ 1,100

ADVERTISING: JUNE BACK PAGE OF 'EVERY-WOMAN' PLUS 1,000 RUN-ON LEAFLETS 1,000

PRINTING: CARDS, LETTERHEADS, COMP SLIPS AND POSTERS 550

LOGO DESIGN 350

TOTAL LAUNCH BUDGET 3,000
## CIRCLES' CREDITORS

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## FINANCE ADMINISTRATION

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## NATIONAL INSURANCE

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**SALARIES ANALYSIS**

**COMPANY PROMOTION/DEVELOPMENT CO-ORDINATOR**
- 4 DAYS PER WEEK
- £12,172

**MARKETING ADMINISTRATOR**
- 4 DAYS PER WEEK UNTIL JUNE
- 3 DAYS PER WEEK THERE AFTER
- £9,537

**FINANCE ADMINISTRATOR**
- 2 DAYS PER MONTH
- £1,353

**TOTAL**
- £23,062

**NATIONAL INSURANCE**
- £2,405

**TOTAL SALARIES INC. NI**
- £25,467