



MANAGEMENT ACCOUNTS

Eight months to 31st August 2019

Introduction

Please see below Management Accounts for the eight months ended 31st August 2019. These are provided for Trustees and Finance Committee members' use and are not for wider distribution.

Actuals are compared to Budget, this is the approved Budget from December 2018 but where the profile across the year was clearly wrong these have been re-phased. In addition, internal rents and subsidies have now been included to complete the picture. A likely out turn or Forecast is also included.

Once again within August accounts we have spread the unrecoverable VAT over the costs and departments that it relates to. Where this has had a significant impact, note has been made.

Summary of Actual and Likely Turnout for Year

	January - August		September - December		Full Year	
	2019	Budget	Forecast	Budget	Forecast	Budget
Income	1,088,405	994,214	471,620	430,858	1,560,025	1,425,072
Expenditure	(1,017,460)	(905,777)	(458,838)	(494,788)	(1,476,299)	(1,400,565)
Net (Loss)/Profit	70,944	88,437	12,782	(63,930)	83,726	24,507
Reserves Carried Forward	3,894,243	3,911,736			3,840,324	3,781,106

Overall a surplus of £70,944 has been recorded to date against a Budget of £88,437, £17,493 (20%) worse at this stage of the year.

By the end of the year we expect to record a net surplus of £83,726 compared to the budgeted £24,507 an improvement of £59,219.

With a surplus on our investment to date of £165,000 we are well placed to meet the £1 per member grant going forward, and still have free reserves of around £1.2m (mainly invested)

2018 Note

2018 had Starburst at the start of the year whereas this year we have Supernova in November 2019, which explains the difference in activity levels.

Unfortunately, although most omissions and errors for last year have been identified and corrected there are still a few issues of timing where the actual timing of when revenue or cost should be recognised was not correct.

Profit and Loss - Eight months to August 31st , 2019

	Eight months to 31 August 2019 ACTUALS	Eight months to 31 August 2019 BUDGET	VARIANCE	Eight months to 31 August 2018 ACTUALS	Year to 31 December 2019 FORECAST	Year to 31 December 2019 BUDGET	Year to 31 December 2019 VARIANCE	Year to 31 December 2018 ACTUALS
Funds	20,430	27,900	(7,470)	30,566	25,900	33,360	(7,460)	47,097
Membership subs	440,924	446,990	(6,066)	429,182	661,204	671,400	(10,196)	652,307
Other Income	85,379	1,875	83,504	13,282	121,011	3,000	118,011	17,834
Hautbois Income	410,028	362,513	47,515	400,539	480,891	433,483	47,408	478,998
Event Income	16,350	15,100	1,250	461,659	92,763	79,031	13,732	469,604
Sales	103,526	123,500	(19,974)	135,986	158,026	180,000	(21,974)	182,537
Interest	869	5,000	(4,131)	4,033	3,869	8,000	(4,131)	6,712
Rental Income	10,900	11,336	(436)	12,463	16,362	16,798	(436)	17,068
TOTAL INCOME	1,088,405	994,214	94,191	1,487,708	1,560,025	1,425,072	134,953	1,872,157
Payroll	470,283	439,600	(30,683)	441,023	686,608	643,355	(43,253)	669,780
Associated staff costs	27,145	24,150	(2,995)	24,624	35,745	32,750	(2,995)	43,620
Materials	74,509	88,000	13,491	114,764	117,850	128,000	10,150	158,220
Venue cost	111,633	39,000	(72,633)	415,408	147,952	89,058	(58,894)	414,766
Funds	40,959	66,400	25,441	130,177	70,469	95,910	25,441	147,828
Utilities	25,364	16,000	(9,364)	22,309	29,018	23,900	(5,118)	28,965
Services	19,172	20,036	864	22,168	27,256	29,084	1,828	30,805
Equipment leases	833	1,400	567	2,285	1,533	2,100	567	3,407
Equipment purchases	55,497	37,500	(17,997)	68,732	67,747	50,200	(17,547)	85,281
Office supplies	9,308	11,800	2,492	20,653	15,994	17,786	1,792	25,661
Transaction charges	1,663	4,010	2,347	7,546	4,060	6,598	2,538	10,192
Activities	4,737	11,600	6,863	3,620	13,381	20,244	6,863	125
Marketing	5,180	10,101	4,921	7,847	14,783	18,704	3,921	12,061
Professional fees	34,035	32,800	(1,235)	32,133	50,730	49,495	(1,235)	51,539
Servicing, Repairs and maintenance	60,471	38,500	(21,971)	44,027	76,612	54,181	(22,431)	58,726
Travel	37,654	32,800	(4,854)	69,929	63,829	59,025	(4,804)	87,163
Catering	39,018	32,080	(6,938)	45,792	52,733	45,175	(7,558)	61,781
Irrecoverable VAT	-	-	-	24,138	0	35,000	35,000	48,426
TOTAL EXPENDITURE	1,017,460	905,777	(111,684)	1,497,173	1,476,299	1,400,565	(75,734)	1,938,346
NET PROFIT	70,944	88,437	(17,493)	(9,465)	83,726	24,507	59,219	(66,189)

Currently running at £17,493 worse than Budget, we are still £70,944 in surplus for the first Eight months of the year. This despite some high levels of repair across the property.

The change in accounting practice on VAT has made a marginal difference of £5,000 of costs for the year to date (timing) and also reduces our estimate for the year by £15,000 as costs are brought forward.

Detailed explanations are given below departmental schedules.

Profit and Loss - Terminology

Funds	Income from discretionary means such as grants, donations and legacies
Membership subscriptions	Subscription income from members
Other Income	Interorganisational recharges
Hautbois Income	All revenue for accommodation, catering and activities earned by Hautbois for stays in the period.
Event Income	Specific event income.
Sales	Retail sales through the shop
Interest	Interest from bank balances
Rental Income	Rental income on properties owned by the Association.
Payroll	Salary cost of permanent and temporary staff inclusive of pension and NI
Associated staff costs	Training, recruitment costs, clothing.
Materials	Materials for resale or use within the organisation.
Venue cost	Venues for events, training and meetings
Funds	Grants given both internally and externally
Utilities	Electricity, gas and water
Services	Regular supply contracts eg broadband, phone
Equipment leases	Photocopiers, franking machine, card machines, water coolers etc.
Equipment purchases	Items under £1,000 bought in year
Office supplies	Stationery and IT supplies
Transaction charges	Merchant charges on card receipts and bank charges
Activities	Expenditure related to providing our activities.
Marketing	3 rd party expenditure in promoting the organisation.
Professional fees	Legal and accountancy with HR support
Servicing, Repairs and maintenance	Repair of all equipment and property/estate
Travel	Domestic and overseas travel costs including girl trips.
Catering	All food related expenditure both inhouse and external
Irrecoverable VAT	Unrecoverable VAT due to our partially exempt status. This is now spread over the expenditure and departments it relates to but was separate in 2018 and the Budget.
Depreciation	Charge on previously capitalised items to reflect their use to the organisation.

Profit and Loss - Region

	Eight months to 31 August 2019	Eight months to 31 August 2019		Eight months to 31 August 2018	Year to 31 December 2019	Year to 31 December 2019		Year to 31 December 2018
	ACTUALS	BUDGET	VARIANCE	ACTUALS	FORECAST	BUDGET	VARIANCE	ACTUALS
Funds	8,430	-	8,430	13,389	8,430	-	8,430	18,092
Membership subs	439,345	446,990	(7,645)	428,615	659,845	671,400	(11,555)	651,670
Other Income	80,488	-	80,488	10,020	114,620	-	114,620	14,458
Hautbois Income	-	-	-	3,617	-	-	-	3,917
Event Income	4,319	-	4,319	445,342	72,089	51,621	20,468	439,922
Sales	-	-	-	804	-	-	-	613
Interest	800	5,000	(4,200)	4,033	3,800	8,000	(4,200)	6,712
Rental Income	9,564	10,000	(436)	11,127	14,362	14,798	(436)	15,064
TOTAL INCOME	542,947	461,990	80,957	916,946	873,147	745,819	127,328	1,150,447
Payroll	196,684	200,000	3,316	204,413	311,484	300,900	(10,584)	318,285
Associated staff costs	16,769	10,000	(6,769)	12,843	21,869	15,100	(6,769)	22,553
Materials	9,245	4,000	(5,245)	32,905	17,161	6,000	(11,161)	39,596
Venue cost	111,633	39,000	(72,633)	415,409	147,952	89,058	(58,894)	413,533
Funds	40,959	66,400	25,441	130,177	70,469	95,910	25,441	147,828
Utilities	3,481	4,000	519	4,210	5,381	5,900	519	8,469
Services	8,964	9,000	36	11,869	12,239	12,275	36	16,310
Equipment leases	622	1,400	778	1,482	1,322	2,100	778	2,236
Equipment purchases	8,449	10,000	1,551	21,949	13,149	14,700	1,551	26,820
Office supplies	3,546	10,000	6,454	15,084	8,396	14,850	6,454	16,959
Transaction charges	672	2,400	1,728	5,955	2,470	4,198	1,728	7,975
Activities	2,469	6,000	3,531	2,171	8,369	11,900	3,531	(1,781)
Marketing	1,631	9,951	8,320	4,079	10,134	18,454	8,320	6,867
Professional fees	30,387	31,000	613	31,077	46,037	46,650	613	48,748
Servicing, Repairs and maintenance	23,724	18,000	(5,724)	16,050	36,344	30,620	(5,724)	18,967
Travel	35,469	30,500	(4,969)	66,938	60,494	55,525	(4,969)	82,878
Catering	3,376	5,400	2,024	9,021	11,251	13,275	2,024	17,228
Irrecoverable VAT	-	26,000	26,000	24,138	0	35,000	35,000	48,426
TOTAL EXPENDITURE	498,082	483,051	(15,031)	1,009,769	784,523	772,415	(12,108)	1,241,898
NET PROFIT	44,865	(21,061)	65,926	(92,823)	88,624	(26,596)	115,220	(91,451)

Region - Income

Within the month a further £4,500 was received for the Space to Grow Together Grant .

Subscription income from membership continues to run at a combined rate of 1.7% down for the year as the 3% fall in membership from February flows through.

Other Income reflects income relating to program with costs shown against venue, activities and travel. The following page details this by individual trip, meeting or budget area. However variances on Income, venue and travel balance out with a surplus showing from less grants being paid out so far.

Other income has been deferred to the month of the actual trip for future events/trips together with costs :

Supernova (Nov)	67,910	59,960
Soar Canada (2020)	-	5,000
Madagascar (2020)	-	2,195
Worldjam (2020)	9,168	18,514

Region - Expenditure

On payroll costs we are now slightly under with the various staffing changes and will come in under Budget for the year. Associated costs in the month of £1,983 related to the Project Management course.

Note: Held within the Balance Sheet under debtors is the loan of £10,000 made in January to Kidlington District which will start to be repaid in January 2022 and fully repaid by January 2025.

Servicing and repairs reflects hefty expenditure earlier in the year which has been allowed for within the annual budget including work on the facias and gable ends of £5,828.

Costs relating to the IT problems of just over £2,000 in the month are spread across purchases and repairs.

Irrecoverable VAT is now removed as a separate line with the spend allocated across the individual lines and departments. This has improved Region by some £18,000.

	Income 2019 ACTUALS	Venue 2019 ACTUALS	Travel 2019 ACTUALS	Catering 2019 ACTUALS	Materials 2019 ACTUALS	Activities 2019 ACTUALS	Grants 2019 ACTUALS	Other Costs 2019 ACTUALS	Surplus / (Deficit) 2019 ACTUALS	Resp
Starting New Unit Grants 2019	-	-	(294)	-	-	-	(5,293)	(310)	(5,897)	AO
Reach Out Grant Fund 2019	-	-	-	-	-	-	(475)	-	(475)	AO
GAP Day June 2019	783	(132)	(838)	(480)	(45)	-	-	(133)	(845)	AO
Space to Grow Together Snugs	-	-	-	-	-	-	(720)	-	(720)	AO
-	-	-	-	-	-	-	-	-	-	-
Archivist Weekend Oct 2019	-	-	-	-	-	-	-	-	-	DL
Commissioners Day 2020	-	-	-	-	-	-	-	(42)	(42)	DL
Delivering Diversity Fund 2019	-	-	-	-	-	-	(1,334)	-	(1,334)	DL
CART Meeting 2019	-	(416)	(459)	-	-	-	-	(8)	(883)	DL
General exp Pros/Tutor/Review	-	(21)	(1,186)	(31)	(5)	-	-	(23)	(1,267)	DL
Doing Our Best Toolkit Pilot	-	-	(175)	-	-	-	-	(1)	(176)	DL
Trainer Support	-	-	-	-	(1,093)	-	-	(113)	(1,206)	DL
Walking Level 2 Nov 2019	-	(150)	-	-	-	-	-	-	(150)	DL
Outdoor Activity Grants 2019	-	-	-	-	-	-	(140)	-	(140)	DL
Outdoor Activity Meeting Jun19	-	(107)	(463)	(128)	-	-	-	0	(698)	DL
QG brooch reimbursements 2019	-	-	-	-	-	-	(64)	-	(64)	DL
Service Crew w/e Jun 19	12	-	(116)	(129)	-	-	-	(0)	(233)	DL
SAFE SPACE TRAINING APR 2019	-	(2,195)	(184)	-	-	(4)	-	(0)	(2,383)	DL
Safe Space Aug 19 Dunstable	-	(185)	-	-	-	-	-	-	(185)	DL
Safe Space Dec 18A	-	-	-	-	-	-	-	(44)	(44)	DL
SAFE SPACE 2019 general exp	-	(25)	(129)	(16)	-	-	-	-	(170)	DL
SAFE SPACE TRAINING JUL 2019	-	(520)	-	-	-	-	-	-	(520)	DL
SAFE SPACE TRAINING MAR 2019	-	(244)	(65)	-	(3)	-	-	(1)	(312)	DL
Safe Space Training May 2018	-	-	-	-	-	-	-	(3)	(3)	DL
SAFE SPACE TRAINING MAY 2019	-	(2,376)	(69)	-	-	-	-	0	(2,445)	DL
Leisure Walking Weekend	390	(240)	-	-	-	-	-	-	150	DL
-	-	-	-	-	-	-	-	-	-	-
M&C Day Oct 2018	-	-	(73)	-	-	-	-	-	(73)	MJ
M&C Network Day 2019	-	(622)	(216)	(23)	(48)	-	-	0	(908)	MJ
Pride Cambridge Jun 2019	-	-	(5)	-	(73)	-	-	(23)	(100)	MJ
Pride Essex Jun 2019	-	(59)	(10)	-	(15)	(111)	-	0	(194)	MJ
Pride Oxford Jun 2019	-	(85)	-	-	-	(124)	-	0	(209)	MJ
Website Project Costs	-	-	(5)	(8)	-	-	-	(27)	(40)	MJ
-	-	-	-	-	-	-	-	-	-	-
International Adviser Expenses	-	-	(140)	(17)	-	-	-	-	(157)	ST
Internat Burs Chf Mem Fun 2019	-	(76)	-	-	-	-	(6,685)	-	(6,761)	ST
Ice Trip Apr 2019	12,192	(8,710)	(4,625)	(77)	(68)	(208)	-	(301)	(1,798)	ST
Travelling Abroad Training Pro	-	(50)	-	-	-	-	-	-	(50)	ST
Austria - Region Trip	-	(2,738)	-	-	-	-	-	-	(2,738)	ST
Roverway	40	-	(170)	(127)	(5)	-	-	(15)	(276)	ST
Ice Weekend Jun 2019	-	(160)	(38)	(179)	-	-	-	(10)	(387)	ST
International Opps Ldrs Mar19	(420)	(55)	-	-	-	-	-	-	(475)	ST
Ice Weekend May 2019	-	(100)	(230)	(170)	-	-	-	-	(500)	ST
Mexico - Region Trip	31,200	(6,687)	(14,867)	(443)	(113)	(4,645)	-	(608)	18,837	ST
Romania - Region Trip	5,969	(1,049)	(8,073)	(179)	(901)	(1,112)	-	(1,155)	(6,500)	ST
World Scout Jamboree	65,100	(56,090)	-	-	-	(2,700)	-	-	6,310	ST
Our Chalet - Region Trip	18,486	(18,093)	-	-	(55)	-	-	0	338	ST
Intopps for Girls 2019	-	(4,082)	(227)	-	-	-	-	0	(4,310)	ST
International team Mtgs 2019	-	-	(509)	(31)	-	-	-	-	(539)	ST
Travelling Abroad Training Mar	-	(55)	-	-	-	-	-	-	(55)	ST
-	-	-	-	-	-	-	-	-	-	-
Meetings	-	(6,208)	(7,815)	(659)	(117)	(21)	-	(816)	(15,638)	TF
	80,488	(111,633)	(35,469)	(3,376)	(9,245)	(2,469)	(40,959)	(3,634)		

Profit and Loss - Hautbois

	Eight months to 31 August 2019	Eight months to 31 August 2019		Eight months to 31 August 2018	Year to 31 December 2019	Year to 31 December 2019		Year to 31 December 2018
	ACTUALS	BUDGET	VARIANCE	ACTUALS	FORECAST	BUDGET	VARIANCE	
Funds	13,718	27,900	(14,182)	17,177	17,470	33,360	(15,890)	29,005
Membership subscriptions	1,579	-	1,579	567	1,359	-	1,359	637
Other Income	432	-	432	3,057	432	-	432	3,172
Hautbois Income	410,028	362,513	47,515	396,922	480,891	433,483	47,408	475,081
Event Income	12,031	15,100	(3,069)	16,299	20,674	27,410	(6,736)	29,664
Interest	68	-	68	-	68	-	68	-
Rental Income	1,336	1,336	-	1,336	2,000	2,000	-	2,004
TOTAL INCOME	439,192	406,849	32,343	435,357	522,894	496,253	26,641	539,562
Payroll	240,059	204,600	(35,459)	207,236	324,784	289,955	(34,829)	306,230
Associated staff costs	10,335	14,000	3,665	11,673	13,835	17,500	3,665	20,806
Materials	-	-	-	3,320	-	-	-	3,453
Utilities	21,883	12,000	(9,883)	18,099	23,637	18,000	(5,637)	20,495
Services	8,851	8,000	(851)	8,836	12,860	12,009	(851)	12,328
Equipment leases	77	-	(77)	681	77	-	(77)	990
Equipment purchases	45,605	26,000	(19,605)	44,900	52,655	34,000	(18,655)	58,019
Office supplies	1,256	1,800	544	3,054	2,392	2,936	544	3,669
Transaction charges	601	720	119	941	981	1,100	119	1,320
Activities	2,268	5,600	3,332	1,449	5,012	8,344	3,332	1,906
Marketing	3,549	-	(3,549)	3,679	4,549	-	(4,549)	5,052
Professional fees	2,544	1,000	(1,544)	878	3,089	1,545	(1,544)	2,109
Servicing, Repairs and maintenance	36,747	20,500	(16,247)	27,883	40,267	23,561	(16,706)	39,666
Travel	1,838	1,600	(238)	2,409	2,738	2,500	(238)	3,465
Catering	37,360	26,680	(10,680)	36,744	41,482	31,900	(9,582)	44,526
TOTAL EXPENDITURE	412,972	322,500	(90,472)	371,783	528,357	443,350	(85,007)	525,266
NET PROFIT	26,220	84,349	(58,129)	63,575	(5,463)	52,903	(58,366)	14,296

Hautbois - Income

Fund income is an internal subsidy from Region of £13,718 to date to reflect the reduction in price given to Girl Guiding groups and is down on Budget, reflecting less usage than envisaged by Guide units. Within the month is a backdated adjustment of £1,718 on event subsidy not previously paid over.

Booking income is 24% up on Budget, and 3% up on the same point last year. This breaks down as follows:

	Booked not yet Stayed		Stayed	
Adult	2,411	4.9%	11,043	2.7%
Guiding	26,541	53.9%	57,171	13.9%
School	15,832	32.2%	188,958	45.8%
Youth	4,455	9.0%	155,443	37.6%
	47,660	100.0%	410,028	100.0%

With a further £12,031 on Events, through the Baden Powell weekends £2,521 and Friends Of Hautbois (FOH) weekend £1,530, and the fun days £2,374 and smaller badge day and heraldry course.

Total revenue of £439,192 compared to a Budget of £406,849 and £435,387 last year. So 8% up on Budget to date and 1% up on last year.

Hautbois - Expenditure

Payroll at £240,059 was £35,459 up (17%) on Budget, compared to the increased activity of 8%. However with the focused event income down against the 25% rise in booked stays this is a good position. Salary increases and a series of training courses that staff attended (canoeing, first aid, aquatic first aid) at the start of the year also make this increase look controlled. Within Associated Staff Costs was £2,900 of new uniform and outdoor clothing.

There were no significant Equipment purchases in the month.

Professional fees relates to work on website links by Affinity.

Servicing, Repairs and Maintenance within the month was mainly the inspection of the ropes course, although some plumbing work related to the shower blocks was carried out. The overspend relates to the extensive programme earlier in the year previously discussed.

For the year expenditure is expected to be 19% up on Budget, with payroll reflecting the increased activity 12% up, catering 30% more as more internal bookings, and higher equipment purchases utilising last year's surplus. £14,000 is added to costs with the change in VAT accounting which causes 3% of the increase.

Hence the change in VAT accounting has moved Hautbois from a projected surplus of £8,500 to a deficit of £5,463.

Profit and Loss - Retail

	Eight months to 31 August 2019 ACTUALS	Eight months to 31 August 2019 BUDGET	VARIANCE	Eight months to 31 August 2018 ACTUALS	Year to 31 December 2019 FORECAST	Year to 31 December 2019 BUDGET	VARIANCE	Year to 31 December 2018
Other Income	4,458	1,875	2,583	204	5,958	3,000	2,958	204
Event Income	-	-	-	18	-	-	-	18
Sales	103,526	123,500	(19,974)	135,182	158,026	180,000	(21,974)	181,924
TOTAL INCOME	107,984	125,375	-17,391	135,404	163,984	183,000	(19,016)	182,147
Payroll	33,540	35,000	1,460	29,374	50,340	52,500	2,160	45,265
Associated staff costs	41	150	109	108	41	150	109	261
Materials	65,264	84,000	18,736	78,538	100,689	122,000	21,311	115,171
Services	1,356	3,036	1,680	1,463	2,156	4,800	2,644	2,167
Equipment leases	135	-	(135)	122	135	-	(135)	182
Equipment purchases	1,443	1,500	57	1,883	1,943	1,500	(443)	442
Office supplies	4,506	-	(4,506)	2,516	5,206	-	(5,206)	5,033
Transaction charges	390	890	500	650	609	1,300	691	898
Marketing	-	150	150	89	100	250	150	141
Professional fees	1,104	800	(304)	177	1,604	1,300	(304)	681
Servicing, Repairs and maintenance	-	-	-	93	-	-	-	93
Travel	347	700	353	582	597	1,000	403	820
Catering	-	-	-	27	-	-	-	27
TOTAL EXPENDITURE	108,125	126,226	18,101	115,622	163,419	184,800	21,381	171,182
NET PROFIT	(141)	(851)	710	19,783	565	(1,800)	2,365	10,965
Gross Margin	38,262 37%	39,500 32%	(1,238) 5%	56,644 42%	57,337 36%	58,000 32%	(663) 4%	66,754 37%

Retail - Income

Budgeted income against Other Income relates to the Product Development Recharge to Region material costs. Whilst anticipated in the Budget the level of activity was unknown.

The lost sales in January of £19,100 from the web site issues is responsible for the downturn against Budget..

2018 is also higher due to Starburst producing some £10,500 of additional sales for the team.

2019 Sales	Sales	%
Rainbow	£12,089	11.7%
Brownie	£22,768	22.0%
Guide	£11,020	10.6%
Rangers	£3,221	3.1%
Adult Leaders	£26,044	25.2%
Own Design (Anglia/Hautbois)	£18,597	18.0%
Miscellaneous	£6,200	6.0%
Postage	£3,588	3.5%
	<u>£103,526</u>	<u>100%</u>

The trading figures demonstrate that Gross Margin is performing well compared to Budget with 35% against the budgeted 32% through more own design uniform sales.

	2019	Budget	Variance	2018
Sales	103,526	123,500	(19,974)	135,182
Cost of Sales	66,838	84,000	17,162	78,538
Gross Margin	<u>36,688</u>	<u>39,500</u>	<u>(1,238)</u>	<u>56,644</u>
	35%	32%	5%	42%
Stock Level	29,246	30,000		25,940*
Stock turnover	106 days	87 days		80 days

Stock levels are a little high but include £1,826 of Macmillan badges

* 2018 stock was not posted and is why the Gross Margin is so high - this is the correct stock level at that time.

Retail - Expenditure

The Equipment Purchases of £1,443 relates to a freezer for the ice-creams bought in June that added to the laptop and ancillary equipment (under the capital expenditure threshold) purchased earlier in the year.

Transaction charges are well down and will be maintained as a saving against Budget throughout the year.

Revised Forecast - Retail

Despite reducing the sales forecast to £158,000 with the Gross Margin anticipated at holding at the current 35% margin ends up only £2,000 down on Budget.

The costs omitted for Office Supplies in the Budget to cover packaging materials and postage will impact bottom line but should be covered by the recharge line.

Hence the overall effect will be to hold the deficit slightly less than that budgeted at £1,010.