

## Annex 2 – Initial Financial Projections

	2011/12	2012/13	2013/14
	£'000	£'000	£'000
Income	85	500	2,000
Expenditure, incl direct overheads	60	400	1,600
Company Costs (see below)	10	22	22
Gross Profit	15	78	378

### Assumptions

Year 1- minimal business, likely to include aspects of the recruitment pool and possibly some opportunities in learning and development.

Year 2 – further expansion of pool, some work for schools, opportunities for ICT, HR, finance, customers being developed.

Year 3 – potential full placement of recruitment pool, major contracts for external partners, schools, other organisations, potential consideration of staff transfers into company.

### Estimate of on-going company costs per annum

The company will have a number of costs that will be incurred due to its nature of being a company. The table below gives indicative estimates of these costs taking into account the experience of setting up Veritau and using information from other councils.

	Indicative Value	
	Year 1 £	Ongoing £
Company Secretariat	2,000	2,000
Company Accounting	500	2,000
External Audit	4,000	4,000
Legal Support – Contracts etc	500	3,000
Insurance	2,000	6,000
Marketing etc	1,000	5,000
	10,000	22,000

The costs above show that in year 1, with only small level of trading the company costs should be in the region of £10k. However as further services are included it is anticipated these will rise to approximately £22k but this will be dependant on the size, scale and nature of the services traded.