

**Needham Market Internet Cafe**  
*Community Interest Company*

Accounts - Budget forecast

(September 2006)

Accounts - Budget Forecast

RC/1/010211652

<b>Income:</b>					
	Year 1	Year 2	Year 3		
	Total (£)	Total (£)	Total (£)	Total (£)	
Fees (Note 1)	2,000.00	4,000.00	6,000.00	12,000.00	
Sales (Note 2)	5,200.00	7,800.00	10,400.00	23,400.00	
<b>Total</b>	<b>7,200.00</b>	<b>11,800.00</b>	<b>16,400.00</b>	<b>35,400.00</b>	
<b>Expenditure:</b>					
	Year 1	Year 2	Year 3		
	Total (£)	Total (£)	Total (£)	Total (£)	
<b>Strategic Management</b>					
Salaries inc NI and Pension				0.00	
Travel/Subsistence				0.00	
Training and Development	100.00	100.00	300.00	500.00	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>300.00</b>	<b>500.00</b>	
<b>Project Personnel:</b>					
<b>Manager (1 FTE - 1924 hours per annum)</b>					
Salaries inc NI and Pension	21,029.00	21,659.00	22,309.00	64,997.00	
<b>Practitioners (2 FTE - 3848 hours per annum)</b>					
Salaries inc NI and Pension	35,958.00	37,036.00	38,147.00	111,141.00	
Travel/Subsistence	100.00	103.00	107.00	310.00	
Training and Development	1,200.00	2,000.00	2,000.00	5,200.00	
<b>Total</b>	<b>58,287.00</b>	<b>60,798.00</b>	<b>62,563.00</b>	<b>181,648.00</b>	
<b>Business Systems Support</b>					
<b>Practitioners (0.45 FTE - 832 hours per annum)</b>					
Salaries inc NI and Pension	6,524.00	6,719.00	6,920.00	20,163.00	
Travel/Subsistence	20.00	20.00	20.00	60.00	
Training and Development	400.00	400.00	400.00	1,200.00	
<b>Total</b>	<b>6,944.00</b>	<b>7,139.00</b>	<b>7,340.00</b>	<b>21,423.00</b>	
<b>Project Costs</b>					
Advertising and Promotion	1,200.00	1,200.00	1,200.00	3,600.00	
Contract Staff				0.00	
Recruitment	1,400.00	700.00	700.00	2,800.00	
Rent - hire of premises for training etc				0.00	
Subscriptions	3,000.00	3,090.00	3,183.00	9,273.00	
<b>Total</b>	<b>5,600.00</b>	<b>4,990.00</b>	<b>5,083.00</b>	<b>15,673.00</b>	
<b>Premises</b>					
Fully Serviced (see attached)	5,940.00	6,120.00	6,300.00	18,360.00	
<b>Total</b>	<b>5,940.00</b>	<b>6,120.00</b>	<b>6,300.00</b>	<b>18,360.00</b>	
<b>Beneficiary Costs - Volunteers/Users</b>					
Childcare	500.00	515.00	531.00	1,546.00	
Mobile Phones/Charges				0.00	
Recruitment	100.00	103.00	107.00	310.00	
Refreshments	5,200.00	7,800.00	10,400.00	23,400.00	
Support Materials	100.00	103.00	107.00	310.00	
Training and Development	200.00	300.00	300.00	800.00	
Travel/Subsistence	50.00	50.00	50.00	150.00	
Discretionary Fees/Charges				0.00	
<b>Total</b>	<b>6,150.00</b>	<b>8,871.00</b>	<b>11,495.00</b>	<b>26,516.00</b>	
<b>Capital Costs</b>					
Start Up Costs - Refurbishment	8,000.00	0.00	0.00	8,000.00	
Equipment	12,000.00	2,000.00	3,000.00	17,000.00	
Materials	2,400.00			2,400.00	
Other 1	3,000.00			3,000.00	
Other 2				0.00	
<b>Total</b>	<b>25,400.00</b>	<b>2,000.00</b>	<b>3,000.00</b>	<b>30,400.00</b>	
<b>Total Expenditure</b>	<b>108,421.00</b>	<b>90,018.00</b>	<b>96,081.00</b>	<b>294,520.00</b>	
<b>Total For Which Funding Is Sought</b>				<b>259,120.00</b>	

**Income:**

User estimates:

Average no. of residents = 8800.

51% would welcome 'leisure learning' opportunities = circa 4500

51% of 10 - 19 year olds (youth) in favour of cafe = circa 800

Of potential 5300 users, assume circa 30 per cent participate = 1590 different users

- 5% will become core users = 80 people using the facilities a few times per week
- 30% will be regular users = 475 people using the facilities once per week.
- 35% will be sporadic users = 560 people using the facilities more than once per month.
- 30% will be occasional users = 475 people using the facilities every few months.

***Note 1:***

Fees based on computer clubs, nominal membership fees to enhance participation - £20 per person per year.

- Assume core users and some others become members in Year 1 = 100 people
- Assume core and some regular users become members in Year 2 = 200 people
- Assume retention of existing users and some growth in Year 3 = 300 people

This leads to a 'cost per member' figure of approx. £450 over 3 years. However, the informal nature of the project means that many more people will actually use and benefit from the facilities than become formal members. Usage statistics will be kept to monitor involvement and participation and ensure that investments are cost effective.

These figures, while estimates, have been substantiated by questionnaires to the Youth Club, the Middle School and to High School students. Extrapolating from these results indicates that substantial "informal" usage is likely, with membership figures well below user numbers.

***Note 2:***

Sales equal to expenditure on refreshments (covers snacks, teas, and soft drinks). Dual purpose of recovering costs, but also enabling long sessions and providing a welcoming feel to the premises:

- £100 per week yr1;
- £150 per week yr2; and
- £200 per week yr3.

**Expenditure:**

***Strategic Management***

Strategic management will be largely done on a voluntary basis, through the management committee. Nominal sum in training to reflect future need for strategic development.

***Paid Project Personnel***

Minimum contracted staff requirements:

- 1 fte = management duties (based on 37hpw)

- 2 fte = Support and general assistance (74hpw)
- 0.45 fte = IT systems coordinator (16hpw)

### **Project Costs**

*Advertorials*, website, flat rate indicates heavier reliance on word of mouth in later years.

*Recruitment* costs cover adverts etc. - subsequent years cost allows for 1 staff member to be replaced annually.

*Subscriptions* to covers costs associated with technical support organisations and licences for software etc. (exclusive of hardware costs). Also covers subscriptions to, for example, business advice services.

### **Premises - "fully serviced"**

Inclusive of: Cleaning; Depreciation; Development; Gardening; General Maintenance; Insurance -all risks; Rates; Renewals and Replacements; Rent; and Telephone. Based on a 'fully serviced' cost of £5 per square foot (as estimated and to be provided as 'funding in kind' by SCC).

Plus costs estimated for: Advertising and Promotion; Audit Fees; Bad debts; Bank Charges; Fund-raising; Legal and Professional fees; Postage; and Stationery.

### **Beneficiary Costs**

Expenditure on all refreshments (see income derived from sale of refreshments further up):

- £100 per week yr1;
- £150 per week yr2; and
- £200 per week yr3.

### **Capital Costs**

*Equipment* based on the cost to buy 12 units, with basic software licences, plus the annual cost of keeping PC's up-to-date.

*Materials* covers desks, chairs, foot rests, etc.

*Other 1* covers peripherals – digital cameras, printers, etc., plus cables and connections.

The cost to lease equipment = £8000 pa (inclusive of support, software licenses and peripherals). Leasing provides more back-up and support, it is also marginally cheaper (over the three years) than buying equipment. However, at the end of the three years, the hardware is still not owned. If the set-up was purchased, then at year 3 the 12 PC's could be donated and the process restarted. If leased, they never become fully available.

**The minor discrepancies between the figures in the above accounts and the figures presented in section 3.6 & 3.7 of the application form can be explained through the minor variable income derived from sales and membership fees and the impact of recoverable VAT on the lottery bid figures.**

**Signed:**

**Dated:**

**Position:** Company Secretary