

UK Financial Investments Ltd

**UKFI BUSINESS PLAN FORECASTS
JULY 2009**

| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|--|------------------|------------------|------------------|------------------|------------------|
| Revenue | | | | | |
| - HMT Income | 4,512,000 | 4,743,000 | 4,818,000 | 4,895,000 | 4,974,000 |
| Total Income | 4,512,000 | 4,743,000 | 4,818,000 | 4,895,000 | 4,974,000 |
| Expenses | | | | | |
| - Staff related | 2,572,000 | 2,990,000 | 3,065,000 | 3,142,000 | 3,220,000 |
| - Contractors | 1,253,000 | 1,065,000 | 1,065,000 | 1,065,000 | 1,065,000 |
| - Outsourcing and premises | 492,000 | 492,000 | 492,000 | 492,000 | 492,000 |
| - Travel and miscellaneous expenditure | 195,000 | 195,000 | 196,000 | 196,000 | 197,000 |
| Total Expenses | 4,512,000 | 4,743,000 | 4,818,000 | 4,895,000 | 4,974,000 |
| Profit before tax | - | - | - | - | - |
| Tax | - | - | - | - | - |
| Profit and Loss | - | - | - | - | - |

| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash at start of year | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Cash inflows | | | | | |
| HMT Fee on account | 4,385,000 | 4,895,000 | 4,977,000 | 5,058,000 | 5,140,000 |
| VAT Inflows | 677,000 | 857,000 | 871,000 | 885,000 | 900,000 |
| Total cash inflows | 5,062,000 | 5,752,000 | 5,848,000 | 5,943,000 | 6,040,000 |
| Cash Outflows | | | | | |
| Staff related | 2,457,000 | 3,113,000 | 3,197,000 | 3,277,000 | 3,359,000 |
| Contractors | 1,290,000 | 1,093,000 | 1,065,000 | 1,065,000 | 1,065,000 |
| Outsourcing and premises | 490,000 | 522,000 | 522,000 | 522,000 | 522,000 |
| Travel and miscellaneous | 197,000 | 195,000 | 195,000 | 196,000 | 196,000 |
| VAT Outflows | 427,000 | 440,000 | 438,000 | 442,000 | 445,000 |
| VAT Payments to HMRC | 201,000 | 389,000 | 430,000 | 442,000 | 453,000 |
| Cash Outflows | 5,062,000 | 5,752,000 | 5,848,000 | 5,943,000 | 6,040,000 |
| Cash at end of year | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |

| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Accrued fees | 378,000 | 399,000 | 408,000 | 418,000 | 423,000 |
| Total Current Assets | 398,000 | 419,000 | 428,000 | 438,000 | 443,000 |
| Total Assets | 398,000 | 419,000 | 428,000 | 438,000 | 443,000 |
| Liabilities and Equity | | | | | |
| Current Liabilities | | | | | |
| Creditors | | | | | |
| HMT | 92,000 | 94,000 | 95,000 | 97,000 | 98,000 |
| Consultants | 88,000 | 88,000 | 88,000 | 88,000 | 88,000 |
| VAT | 58,000 | 73,000 | 77,000 | 81,000 | 81,000 |
| | 238,000 | 255,000 | 260,000 | 266,000 | 267,000 |
| Accrued remuneration | 160,000 | 164,000 | 168,000 | 172,000 | 176,000 |
| Total Liabilities | 398,000 | 419,000 | 428,000 | 438,000 | 443,000 |
| Total Equity | | | | | |
| Share Capital | - | - | - | - | - |
| Retained Earnings | - | - | - | - | - |
| Total Liabilities and Equity | 398,000 | 419,000 | 428,000 | 438,000 | 443,000 |

- 1 Salaries paid in arrears at the end of each month
- 2 A float of £20,000 to be kept in the bank account
- 3 No interest to be earned on cash balances
- 4 No corporation tax to be payable
- 5 2.5% annual rise in salaries and audit fee each year; no change in other costs year-on-year
- 6 Management fees to be paid by HMT on the 1st of every month in arrears
- 7 VAT rates applied as 15% to 31 December 2009, 17.5% thereafter
- 8 VAT to be settled quarterly in arrears, with returns due on 31 Jan, 30 Apr, 31 Jul and 31 Oct
- 9 All trade creditors, including HMT, to be paid one month in arrears
- 10 Travel and miscellaneous expenses to be settled when they arise
- 11 HMT management fee will be used to settle the costs of running UKFI - no profit will be made in any year
- 12 Employer's National Insurance has been calculated as 12.8%
- 13 Headcount to be static from end of 2009/10 to 2014/15