

Phaidon

- Original Plan anticipated financing of £2M in the financial year (Bringing Phaidon to the maximum of current credit facility)
- Shift in forecasted Int'l (Co-Editions) has resulted in a reduction of trade receipts of £0.8M for the current financial year
- Financing of £3M now required for 2015

£'000	July 2014 FY Cash Flow	October 2014 FY Cash Flow
Operating Profit	(1,299)	(1,263)
Add-Back Depreciation	403	389
Decrease/(Increase) in Stocks	274	(278) *
Decrease/(Increase) in Debtors	(1,364)	(2,175) **
(Decrease)/Increase in Creditors	(389)	(408)
Others	(2)	(19)
Net Cash Flow from Operating activities	(2,377)	(3,755)
Purchase of Fixed Assets	(680)	(654)
Interest	(200)	(1)
Net Cash Flow before Financing	(3,257)	(4,409)
Financing	2,000	2,982
Net Movement in Cash	(1,257)	(1,427)

* Additional £0.2M in reprints and £0.3M in development costs

** Trade Debtors Receipts 21,305 20,494 (Primarily £0.5M Shift in Int'l (Co-Editions) receipts)

Opening Bank Balance	1,403	1,403
Closing Bank Balance	146	(24)
Opening Finance Position	2,529	2,529
Closing Finance Position	4,529	5,511

- Current anticipated trade receipts has also impacted the quarterly financing needs

Overdraft Facility

£'000	July Forecast				October Forecast			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Balance C/F	2,529	4,529	5,779	3,779	2,529	4,078	7,412	5,912
Movement	2,000	1,250	(2,000)	750	1,549	3,334	(1,500)	(400)
Balance B/F	4,529	5,779	3,779	4,529	4,078	7,412	5,912	5,512

Recommendations

- Convert current loan position to Long Term Debt. (Balance as at 10/21/2014 - £4.8M)
- Create annual credit line for £3M. Anticipated balance at June 2015 £1M which will be cleared down the following quarter.

2015 Cash Flow Major Categories By Quarter

£'000	July Forecast						October Forecast					
	Q1	Q2	Q3	Q4	H1	H2	Q1	Q2	Q3	Q4	H1	H2
Cash Inflow												
Trade Debtors Receipts	4,122	4,550	8,379	4,254	8,672	12,633	3,858	2,567	9,228	4,841	6,424	14,070
Overdraft/Credit Facility	2,000	1,250	(2,000)	750	3,250	(1,250)	1,549	3,334	(1,500)	(400)	4,883	(1,900)
	6,122	5,800	6,379	5,004	11,922	11,383	5,407	5,900	7,728	4,441	11,307	12,170
Cash Outflow - Creditors												
Creditor Payments	(6,807)	(5,737)	(5,809)	(4,673)	(12,544)	(10,482)	(6,053)	(5,911)	(6,500)	(5,005)	(11,964)	(11,506)
Royalties	(307)	(305)	(401)	(324)	(612)	(724)	(371)	(285)	(591)	(174)	(656)	(764)
Interest	(50)	(50)	(50)	(50)	(100)	(100)	0	0	0	(1)	0	(1)
	(7,164)	(6,092)	(6,260)	(5,047)	(13,256)	(11,306)	(6,424)	(6,196)	(7,091)	(5,180)	(12,620)	(12,271)
Net Cash Flow	(1,043)	(292)	119	(42)	(1,335)	77	(1,017)	(296)	637	(739)	(1,313)	(102)