After going through the business plan summary, the CEO gave you the previous year's financial reports and asked you to speak with the accountant Celina Patel to get some of the figures and detailed expectations for the coming year.

You arrange a meeting with Celina Patel, Houzit's accountant, and she gives you the following insight into the historical expense relationships and the current statutory compliance liabilities.

Sales and profit budget information

Celina explained that the only budget she monitors on a day-to-day basis is the cash flow budget and the store manager is primarily responsible for the sales budget.

These are the notes you take at the meeting:

- The overall sales for 2013/14 target set by the business plan should be apportioned across the quarters in the same % as was achieved in 2012/13. This was:

Qtr 1	Qtr 2	Qtr 3	Qtr 4	2012/13
3,142,822	3,771,386	4,085,668	4,714,232	15,714,108

- Cost of goods sold is the inverse of the gross profit rate determined by the business plan and is determined by the quarterly sales budget.
- Accounting fees have been negotiated for the year at a fixed amount of $10,000 to be paid in equal amounts each quarter.
- The interest charges on the bank loan are anticipated at a reduced amount of $84,508 due to an agreed repayment of some of the loan principal. This is to be paid in equal amounts each quarter.
- Bank charges are expected to be the same as 2013 and paid in equal amounts each quarter.
- Celina has requested that a new expense (store supplies) be recognised in the new budget that was previously included in with the cleaning expense amounts. Store supplies in the 2011/12 results was $3,500 of the cleaning expense and $3,605 of the 2012/13 result. Cleaning expense will then be lower but identify the real labour costs involved in the cleaning expense.
- Depreciation is expected to be the same as 2013 and allocated in equal amounts each quarter.
- Advertising is to be apportioned to each quarter based on the business plan.
- The following expenses are expected to increase by the determined inflation rate in the business plan summary:
  - Insurance – apportioned in equal amounts each quarter.
  - Store supplies – is calculated for to each quarter using the same % as determined by the sales for each quarter.
  - Cleaning – is calculated for each quarter using the same % as determined by the sales for each quarter.
  - Repairs and maintenance – apportioned in equal amounts each quarter.
  - Rent – apportioned in equal amounts each quarter.
  - Telephone – is calculated for to each quarter using the same % as determined by the sales for each quarter.
  - Electricity – is calculated for to each quarter using the same % as determined by the sales for each quarter.
- Fringe benefits tax is expected to be the same as 2013 and paid in equal amounts each quarter.